EXHIBIT 265

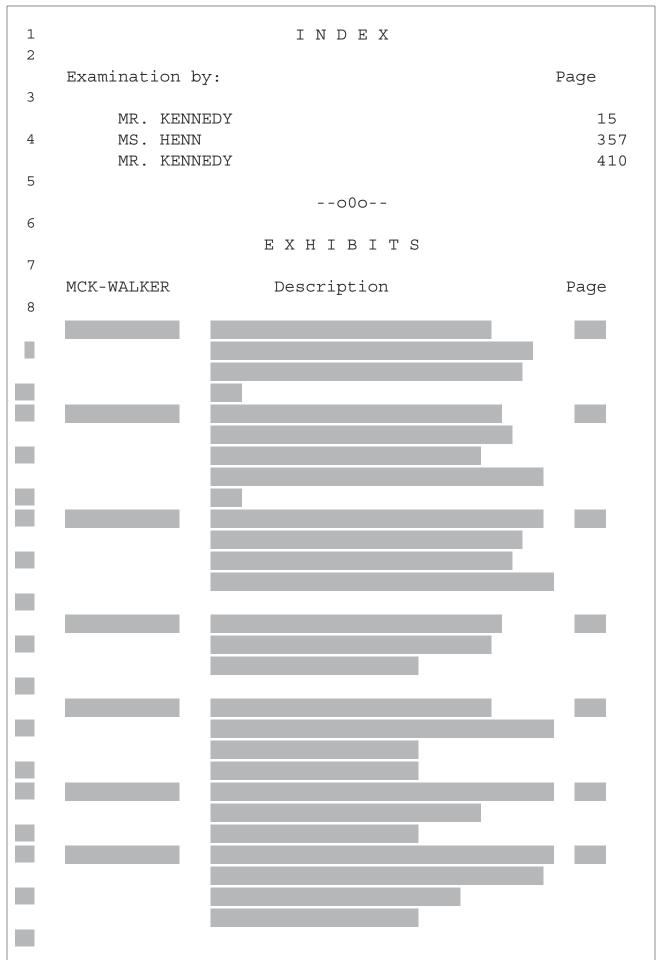
1	IN THE UNITED STATES DISTRICT COURT
	FOR THE NORTHERN DISTRICT OF OHIO
2	EASTERN DIVISION
3	TASIERN DIVISION
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	IN RE NATIONAL PRESCRIPTION
4	OPIATE LITIGATION Hon. Dan A. Polster
	MDL No. 2804
5	THIS DOCUMENT APPLIES TO ALL No. 17-MD-2804
	CASES
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8	HIGHLY CONFIDENTIAL -
	SUBJECT TO FURTHER CONFIDENTIALITY REVIEW
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	THURSDAY, JANUARY 10, 2019
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	Videotaped Deposition of DONALD WALKER, held
13	at the Law Offices of COVINGTON & BURLING, One Front
	Street, 35th Floor, San Francisco, California,
14	beginning at 8:57 a.m., before Sandra Bunch
	VanderPol, FAPR, RMR, CRR, CALIFORNIA CSR #3032
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	GOLKOW LITIGATION SERVICES
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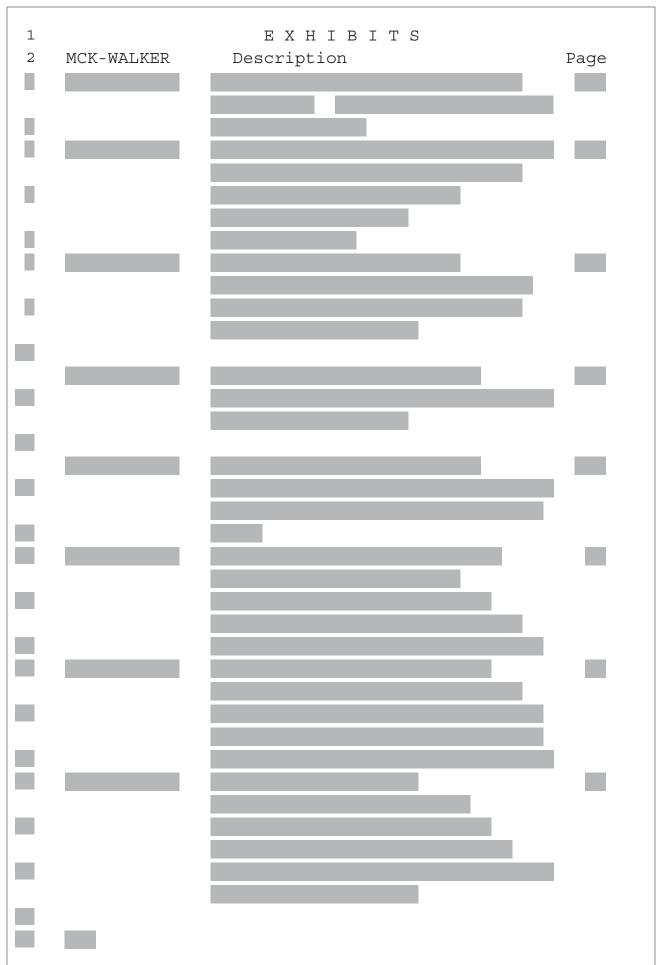
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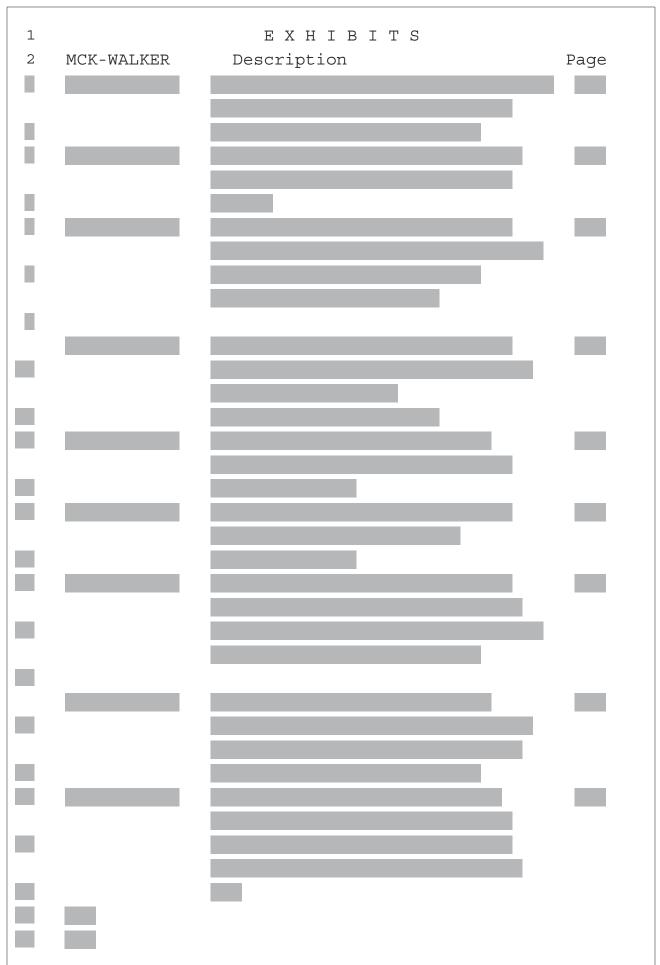
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11
    Appearing Via Video/Realtime Stream:
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13
            AMY KENNEDY
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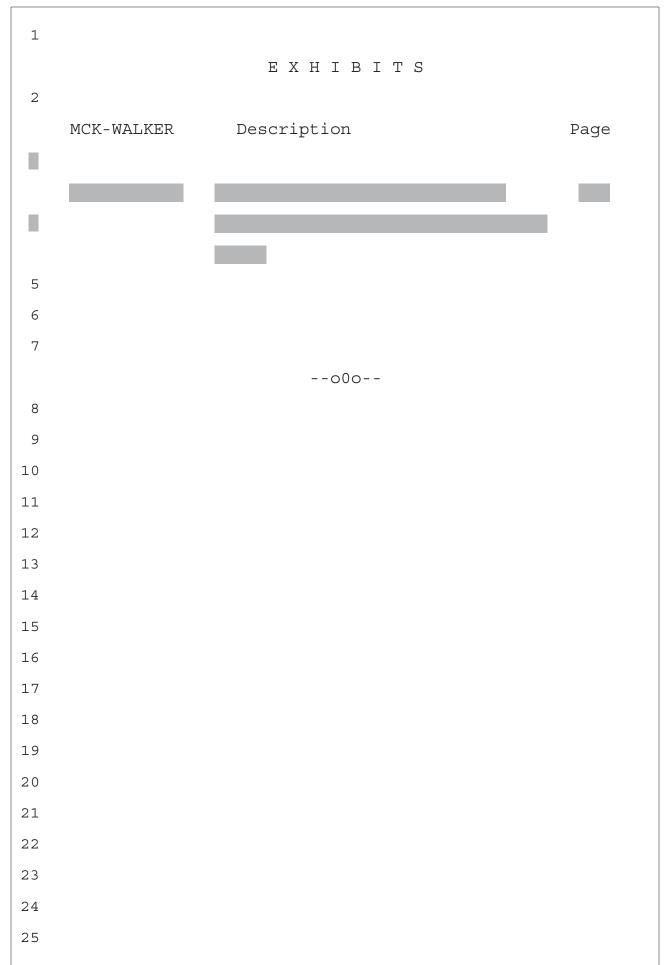












- BE IT REMEMBERED that on Thursday, the 10th
- 2 day of January, 2019, commencing at the hour of
- 3 8:57 a.m. in the law offices of Covington & Burling,
- 4 One Front Street, 35th Floor, San Francisco,
- 5 California, before me, Sandra Bunch VanderPol, a
- 6 Certified Shorthand Reporter in and for the State of
- 7 California, personally appeared.
- 8 DONALD WALKER,
- 9 called as a witness (McKesson), who, having been duly
- 10 sworn, was thereupon examined and interrogated as
- 11 hereinafter set forth.
- 12 --000--
- THE VIDEOGRAPHER: We are now on the record.
- 14 My name is Ryan Wong. I'm a videographer
- 15 for Golkow Litigation Services. Today's date is
- 16 January 10th, 2019, and the time is 8:57 a.m.
- 17 This video deposition is being held in
- 18 San Francisco, California, in the matter of National
- 19 Prescription Opiate Litigation, for the United States
- 20 District Court, Northern District of Ohio.
- The deponent is Donald Walker.
- Would counsel please identify themselves for
- 23 the record.
- MR. KENNEDY: Eric Kennedy, on behalf of
- 25 plaintiffs.

- 1 MR. ASQUITH: Brian Asquith, plaintiffs.
- MR. WOLFE: Evan Wolfe, tech support.
- MS. URQUHART: Abigail Urquhart, on behalf
- 4 of Walmart.
- 5 MR. LIVINGSTON: Scott Livingston, on behalf
- 6 of HBC.
- 7 MR. O'CROININ: Conor O'Croinin, on behalf
- 8 of CVS.
- 9 MS. KVESELIS: Emily Kveselis, for McKesson
- 10 and the witness.
- MS. HENN: Emily Henn, from Covington &
- 12 Burling, on behalf of McKesson and Mr. Walker.
- THE VIDEOGRAPHER: On the phone?
- MR. SHAPLAND: Eric Shapland, on behalf of
- 15 Endo and Par, at Arnold & Porter.
- MR. BUSHAR: Joseph Bushar, of Williams &
- 17 Connolly, on behalf of Cardinal Health.
- MS. RURANGIRWA: Linda Rurangirwa.
- 19 Collinson, Daehnke, on behalf of C&R Pharmacy.
- MS. ROCCHINO: Samantha Rocchino, of Reed
- 21 Smith, LLP, on behalf of AmerisourceBergen Drug
- 22 Corporation.
- THE VIDEOGRAPHER: The court reporter is
- 24 Sandy VanderPol, and she will now swear in the
- 25 witness.

THE REPORTER: Raise your right hand, 1 please. 2 3 Do you solemnly swear or affirm that the 4 testimony you are about to give in this proceeding 5 will be the truth, the whole truth, and nothing but the truth, so help you God? 6 7 THE WITNESS: I do. 8 EXAMINATION BY MR. KENNEDY: 10 Sir, my name is Eric Kennedy. You understand that I represent the plaintiffs in this 11 case? 12 13 I do. Α. 14 Q. And could you please state your full name for the record. 15 16 Α. Donald Walker. 17 And are you currently employed? Q. 18 Α. I am not. And your prior employer was McKesson; 19 Q. 20 would that be true? 21 That's correct. Α. 22 And so the jury understands where we Ο. 23 are today, we are in San Francisco; are we not? 24 Yes, we're in San Francisco. Α.

And San Francisco would be the

Q.

25

- 1 worldwide corporate headquarters of McKesson
- 2 Corporation; would that be true?
- MS. HENN: Objection to form.
- 4 THE WITNESS: McKesson's corporate
- 5 headquarters is currently in San Francisco,
- 6 California.
- 7 BY MR. KENNEDY:
- Q. And we are at the offices of your
- 9 attorney at this present time; yes?
- 10 A. Yes, we are.
- 11 Q. When did you begin your career with
- 12 McKesson?
- 13 A. I joined McKesson in 1987.
- Q. And when you joined them, what was
- 15 your position?
- A. My first position with McKesson was
- 17 as a Transportation Manager with one of the
- 18 subsidiary companies that McKesson had.
- Q. Were your responsibilities in any way
- involved with the regulatory affairs at that time?
- 21 A. No.
- Q. And what was the next position that
- you held with McKesson?
- A. I held the position with the -- what
- was then the McKesson Drug Company and

- 1 Transportation, and had responsibility for
- 2 transportation planning.
- 3 Q. And when did you take that position?
- 4 A. About 1991.
- 5 Q. Did that position have anything to do
- 6 with regulatory affairs of the distribution of
- 7 opioids?
- 8 A. No, it did not.
- 9 Q. What did that position basically
- 10 involve?
- 11 A. The transportation position that I
- 12 held was really a position of optimizing delivery
- 13 efficiencies for our distribution centers.
- Q. What was your next position at
- 15 McKesson?
- 16 A. I was the Distribution Center Manager
- 17 of our Sacramento Distribution Center.
- 18 Q. When did you take that position?
- 19 A. My best recollection is about 1992.
- Q. And what were your duties and
- 21 responsibilities then, as the manager of a
- 22 distribution center?
- A. I had responsibility for oversight of
- our daily distribution of pharmaceuticals to
- 25 pharmacies served by that distribution center.

- Q. And that position would have involved
- the distribution of opioids; would it not?
- A. As part of our distribution, we did
- 4 distribute controlled substances to pharmacies.
- 5 Q. Did you have any responsibility at
- 6 that point in time with respect to the creation,
- 7 management or implementation of anti-diversion
- 8 regulations and policies at McKesson?
- 9 MS. HENN: Object to form.
- 10 THE WITNESS: No. At that time I was
- 11 executing against existing policies the company had
- 12 in place.
- 13 BY MR. KENNEDY:
- Q. What were in place from 1992 to the
- late '90s? What was the policy in place?
- 16 A. There were -- the policies we had
- 17 were contained in our Operations Manuals that
- 18 specified our responsibilities to comply to
- 19 regulations for handling and distribution of
- 20 controlled substances.
- Q. We know about the existence of
- 22 Standard Operating Procedure 55. Are you familiar
- 23 with that?
- 24 A. Yes.
- Q. Was that the policy and procedure

- 1 that was in place in the 1990s?
- 2 A. The Section 55 of our Operations
- 3 Manual covered the responsibilities with the handling
- 4 and distribution of controlled substances.
- 5 Q. Sir, that wasn't my question. I was
- 6 asking, was Standard Operating Procedure Section 55,
- 7 was that the policy in place in the 1990s?
- A. My recollection is that Section 55
- 9 was the applicable policy in place during a period in
- 10 the 1990s.
- 11 Q. How long did you hold the position as
- 12 a Distribution Center Manager?
- 13 A. I recall it was approximately 18
- 14 months.
- Q. So sometime in 1993/'94, you took on
- 16 a new position?
- 17 A. Yes. In 19 -- in that time frame, I
- don't recall exactly when, I was promoted to a new
- 19 position of Vice President of Distribution Operations
- 20 for their Western Region.
- Q. Western Region would be the western
- 22 part of the United States?
- 23 A. Yes.
- Q. And what were your responsibilities
- as VP of Distribution of the Western Region?

- 1 A. I had responsibility for the
- 2 operations staff in the distribution centers that
- 3 comprised the Western Region. So the distribution
- 4 center managers that operated those facilities
- 5 reported to me.
- 6 Q. And at that point in time -- how
- 7 long -- how long did you hold that position?
- 8 A. I held that position until about
- 9 1996.
- 10 Q. And in that position, did you have
- 11 responsibility -- other than the following of SOP 55,
- 12 did you have any duties, responsibilities, with the
- creation and the management of anti-diversion
- 14 policies and procedures at McKesson?
- MS. HENN: Objection to form.
- 16 THE WITNESS: In that role I had
- 17 responsibility for the distribution centers and their
- 18 execution of their responsibilities under Section 55
- 19 to the handling and distribution of controlled
- 20 substances.
- 21 BY MR. KENNEDY:
- Q. You held that position till what
- year, the VP of the Western Region?
- A. Approximately 1996.
- Q. And what position did you take in

- 1 1996?
- 2 A. In 1996 I was promoted to the Senior
- 3 Vice President of Distribution for McKesson
- 4 Pharmaceutical.
- 5 Q. Was that a new position also?
- 6 MS. HENN: Objection to form.
- 7 THE WITNESS: No. That position, I
- 8 succeeded an individual who retired from the company.
- 9 BY MR. KENNEDY:
- 10 Q. Is that the position you held until
- 11 the time of your retirement?
- 12 A. Yes, with the exception of a period
- of time from approximately 2000 to 2005 where I was
- 14 responsible for our Six Sigma organization.
- 15 O. And what is that?
- 16 A. Six Sigma is a process improvement
- 17 methodology that we introduced to the company at that
- 18 time, and I was the senior leader of our Six Sigma.
- 19 Q. Did the Six Sigma project in any way
- 20 relate to the distribution of opioids?
- 21 A. Not that I recall.
- 22 Q. From '96 to 2000, in this four-year
- period, what are your responsibilities as a Senior VP
- of Distribution as it related to the distribution of
- 25 opioids?

- 1 A. As the Senior Vice President of
- 2 Distribution, included in my responsibility was our
- 3 Regulatory Affairs Group. It was our overall
- 4 responsibility to ensure that we were complying with
- 5 regulations associated with the handling and
- 6 distribution of controlled substances.
- 7 Q. And would that be on a national
- 8 basis?
- 9 A. Yes.
- 10 Q. Then from 2000 to 2005, when you no
- 11 longer had your responsibilities as Senior VP of
- 12 Distribution, who took over your responsibilities
- during this five-year period?
- 14 A. I recall there were two different
- individuals that had responsibility during that time
- 16 frame, a Ron Bone and a Brian Magerkurth.
- Q. And so they had taken over your
- 18 responsibilities as it related to McKesson's
- 19 responsibilities as a distributor relating to the
- 20 distribution of opioids?
- 21 A. During -- during that time they would
- 22 have had the responsibility for our Regulatory
- 23 Affairs, yes.
- Q. And would their responsibility and
- your responsibility, when you were acting as the

- 1 Senior VP, would that have related to the policies
- 2 and procedures of McKesson in relation to suspicious
- 3 order monitoring?
- 4 MS. HENN: Objection to form.
- 5 THE WITNESS: As part of our overall
- 6 policies, it did include reporting of suspicious
- 7 orders.
- 8 (Exhibit No. 690 was marked.)
- 9 BY MR. KENNEDY:
- 10 Q. I am going to show you what we have
- 11 marked as Plaintiffs' Exhibit 690, if you would,
- 12 please.
- MS. HENN: Do you have a second copy for the
- 14 counsel over here? `
- 15 UNIDENTIFIED SPEAKER ON TELEPHONE: And if
- it does have a Bates number, if that could be read
- into the record, it would be appreciated.
- MR. KENNEDY: The Bates number,
- 19 McKessonMDL00409116 -- that's the starting Bates --
- 20 to -73. To -173.
- 21 BY MR. KENNEDY:
- 22 Q. Mr. Walker, what is the date on this
- document, if you look at the cover page?
- 24 A. The date is March 12th, 2014.
- Q. Large capitals, "McKesson

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1 Corporation"?
2 A. Yes.
3 Q. And the title would be the,
4 "Presentation to the U.S. Attorney's Office, Northern
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6 that?

5

- 7 A. Yes.
- Q. If you will -- if you will go to page

District of West Virginia, and DEA." Do you see

- 9 -122, the last three -- the last three numbers in the
- 10 bottom right-hand corner.
- Is the title of this McKesson's Regulatory
- 12 Affairs team, Pre-Settlement"?
- MS. HENN: Objection to form.
- 14 THE WITNESS: Yes.
- 15 BY MR. KENNEDY:
- Q. Presettlement would be prior to 2008;
- 17 would that be true? There was a settlement between
- 18 McKesson and the DEA in 2008; do you recall that?
- 19 A. I recall the settlement in 2008, yes.
- Q. And this is referencing a
- 21 pre-settlement; do you see that?
- 22 A. I see that.
- Q. My question being, from 2000 to -- up
- to 2008, the time of the settlement, would this have
- been the regulatory team at McKesson?

- 1 MS. HENN: Objection to form.
- THE WITNESS: Can you repeat.
- 3 BY MR. KENNEDY:
- 4 Q. In this time frame, prior to the
- 5 settlement, prior to 2008, would this presentation to
- 6 the government -- would this presentation to the
- 7 government accurately reflect the regulatory team at
- 8 McKesson?
- 9 A. The regulatory -- counsel, if your
- 10 question is if this was the regulatory team prior to
- 11 2008, yes.
- 12 Q. And --
- 13 A. I'm not familiar with this document.
- 14 So that's why I'm answering the question that way.
- 15 Q. I just thought I might help you with
- 16 recollecting back to this period of time.
- And so my question is, Bruce Russell is one
- of three of the regulatory team. Do you remember
- when he was brought on at McKesson, prior to 2008 to
- 20 make up the regulatory team?
- 21 A. I don't recall specifically when he
- 22 was brought on. When I joined the company, Bruce was
- 23 already an employee of McKesson.
- Q. All right. And do you know when he
- took this position as part of the regulatory team?

- 1 A. I don't recall specifically. He held
- 2 several -- several different positions. I know that
- 3 it did include regulatory, but I don't know the
- 4 dates.
- 5 Q. And do you know when Mr. Hilliard was
- 6 brought on and made part of the regulatory team at
- 7 McKesson?
- A. Again, I don't recall the specific
- 9 date. But Mr. Hilliard joined our regulatory team as
- 10 a result of our acquisition of Foxmeyer Corporation.
- 11 Q. And when we talk about a regulatory
- team, can we be in agreement we are talking about the
- team that managed -- managed and implemented the
- 14 policies in relation to the distribution of opioids;
- 15 would that be correct?
- MS. HENN: Objection to form.
- 17 THE WITNESS: The regulatory team had
- 18 responsibility for ensuring the policies were current
- 19 and in compliance with the regulation, and provided
- 20 oversight and guidance to our distribution center
- 21 teams to ensure that all of our distribution centers
- 22 were in compliance.
- 23 BY MR. KENNEDY:
- Q. And when we're talking about
- compliance, we're talking about -- that would include

- 1 compliance as it relates to the distribution of
- 2 opioids; true?
- 3 A. It would include the distribution of
- 4 controlled substances, yes.
- 5 Q. Opioids; correct? They were a
- 6 controlled substance?
- 7 A. The -- we had responsibility for all
- 8 controlled substances.
- 9 Q. Okay. I want you -- it's just a
- 10 simple "yes" or "no" question.
- Opioids are a controlled substance; are they
- 12 not? "Yes" or "no."
- 13 A. I understand narcotics are a
- 14 controlled substance, as defined by the DEA, but I
- don't have the expertise to understand. We
- 16 understood them to be controlled substances.
- Q. Well, let me ask you this. You were
- in charge of regulatory; you worked at the
- 19 distribution center; you had a long career working
- 20 directly with the DEA; correct? Correct?
- MS. HENN: Objection to form.
- THE WITNESS: I had a long career with
- 23 McKesson that included interaction with DEA.
- 24 BY MR. KENNEDY:
- Q. And are you saying that you have

- 1 never understood that opioids were a controlled
- 2 substance?
- A. In the regulations, I understand
- 4 narcotics to be a controlled substance. And what I
- 5 can't answer for you is whether opioids specifically
- 6 are called out in the regulation.
- 7 We were responsible for the oversight and
- 8 control of controlled substances, including
- 9 narcotics.
- 10 Q. Okay. My question is very simple.
- 11 In your long career at McKesson -- and at the end of
- 12 the day you were the boss with respect to
- 13 regulation -- and are you saying that, as you sit
- 14 here today, you never understood that opioids were a
- 15 controlled substance that the federal government was
- 16 addressing when they put the Controlled Substance Act
- 17 into law in 1970? You never understood that; is that
- 18 your testimony, sir?
- MS. HENN: Objection to form.
- 20 BY MR. KENNEDY:
- Q. I'm asking you about opioids.
- A. Again, I very specifically understood
- 23 narcotics, and I --
- Q. And you didn't know about opioids?
- A. And I don't recall opioids being in

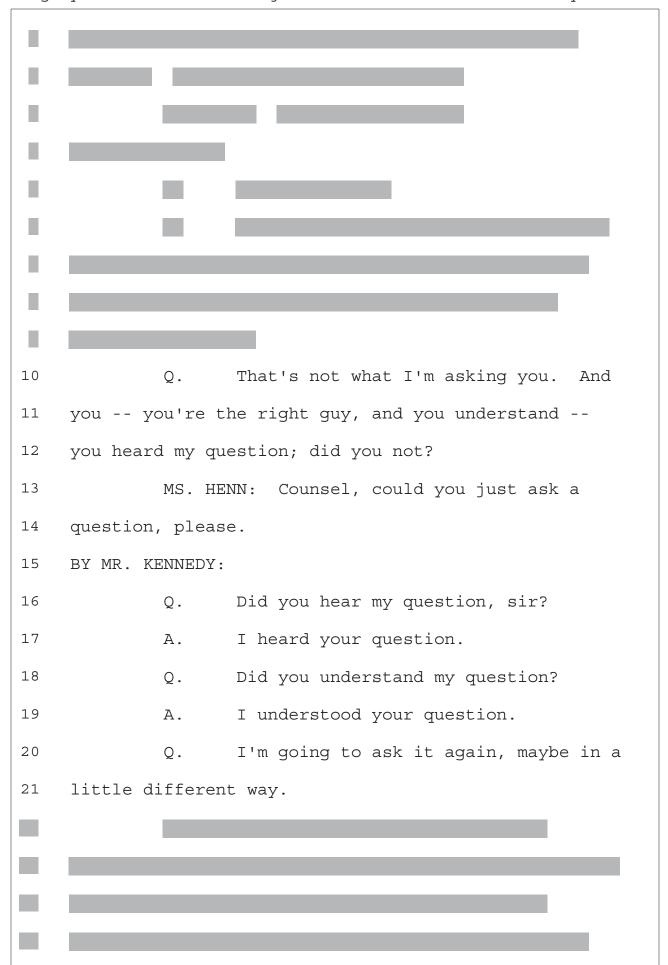
- 1 the regulation.
- Q. Let me ask you, did you recall, in
- your long, long career, did you know whether or not
- 4 oxycodones were within the topic of controlled
- 5 substances that the DEA and Congress of the
- 6 United States were intending to be within the purview
- 7 of what they wanted regulated? Did you understand
- 8 oxycodones were a part of that?
- 9 MS. HENN: Objection to form.
- 10 THE WITNESS: I understood oxycodone to be a
- 11 Class 2 narcotic, yes.
- 12 BY MR. KENNEDY:
- Q. A controlled substance that you had
- the responsibility at McKesson to regulate; correct?
- 15 You understood that?
- 16 A. Yes.
- 17 Q. Did you understand that hydrocodones
- were within the purview of controlled substances that
- 19 the government and the DEA and Congress intended to
- 20 be subject to their regulation and distribution?
- 21 A. Yes.
- Q. The three folks that we see here
- 23 making up the regulatory team -- and, again, when I
- 24 say "regulatory team" or "Regulatory Affairs," we
- could understand that what we are talking about are

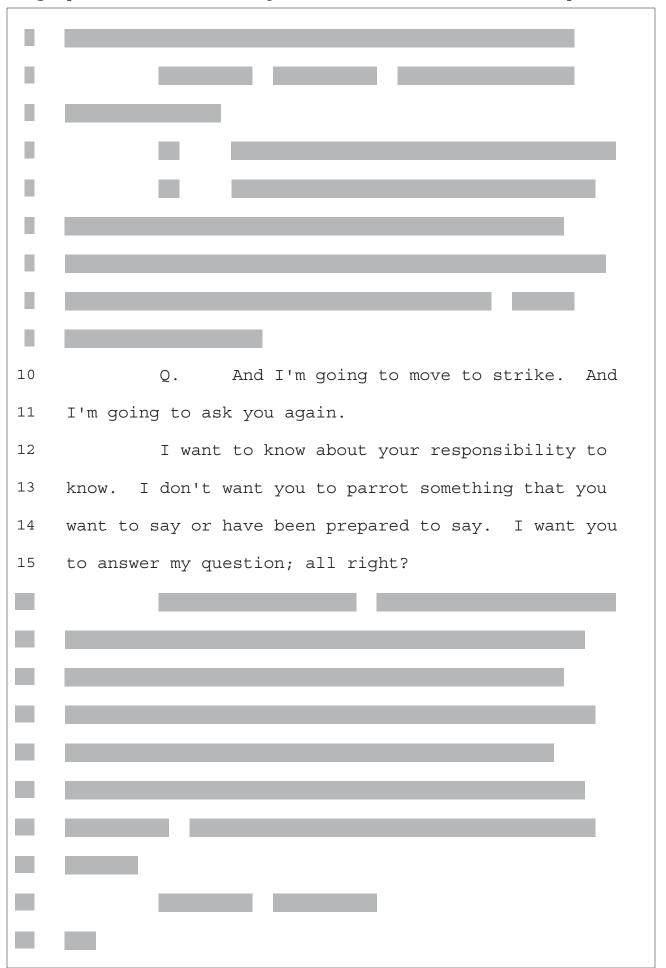
- 1 the responsibilities of McKesson as it related to the
- 2 prevention of diversion of controlled substances; you
- 3 understand that?
- 4 MS. HENN: Objection to form.
- 5 THE WITNESS: I would describe our
- 6 regulatory team as having responsibility to ensure
- 7 that our distribution centers were complying with all
- 8 regulations, to which McKesson was obligated.
- 9 BY MR. KENNEDY:
- Q. Well, tell me what regulations
- 11 McKesson was obligated to with respect to the
- 12 distribution of controlled substances, then, so maybe
- we can communicate better. Tell me.
- In this period prior to 2008, tell me the
- 15 regulations that you just referred to that McKesson
- was responsible to follow.
- A. At a high level, the responsibility
- of our distribution centers was to ensure the safe
- 19 handling, security, recordkeeping associated with the
- 20 distribution and handling of controlled substances
- 21 and to -- specifically under the regulation, to guard
- 22 against diversion and report suspicious orders.
- 23 O. And that was under this -- this
- 24 umbrella of Regulatory Affairs; correct?
- 25 A. Yes, under our Regulatory Affairs

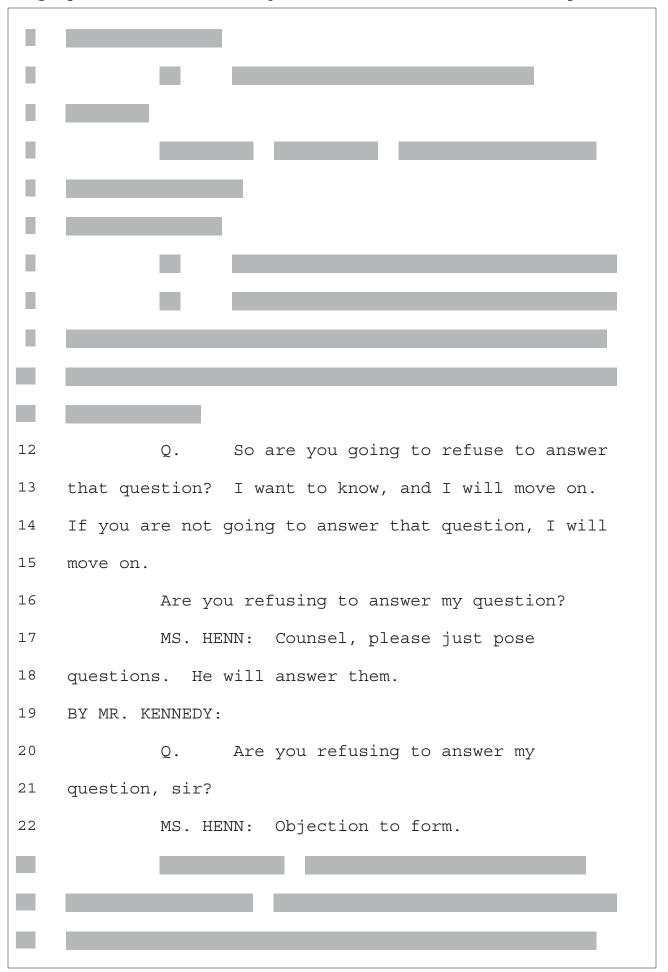
- 1 Group, including our distribution centers, that was
- 2 our compliance responsibility.
- Q. And prior to 2008, as you've
- 4 represented to the DEA in this slide presentation,
- 5 prior to 2008, these three folks, Mr. Walker,
- 6 Mr. Russell, Mr. Hilliard, they made up the
- 7 regulatory team; true?
- MS. HENN: Objection to the form.
- 9 THE WITNESS: Prior to 2008, this was the
- 10 regulatory team.
- 11 BY MR. KENNEDY:
- 12 Q. So during this period prior to 2008,
- I want to focus on 2005 to start with; all right?
- 14 A. Okay.
- 15 Q. 2005 there was an opioid crisis in
- 16 the United States; was there not?
- MS. HENN: Objection to form.
- 18 THE WITNESS: I -- I don't have the specific
- 19 knowledge or recollection that there was an opioid
- 20 crisis in the United States at the time.
- 21 BY MR. KENNEDY:
- 22 Q. In 2005?
- 23 A. Correct.
- Q. Let me ask you this. Is it just that
- you don't remember back to 2005, or is it that you

- 1 believe that back in 2005 you weren't conscious of an
- opioid crisis in this country?
- A. I don't recall when the term --
- 4 basically, the public information associated with
- 5 what eventually was termed "the opioid crisis" first
- 6 was identified.
- 7 Q. Well, let me ask. In 2005 you
- 8 understood McKesson was selling more opioid narcotics
- 9 than any company in the United States? You knew
- 10 that, didn't you?
- MS. HENN: Objection to form.
- 12 THE WITNESS: No, I don't have any specific
- information or recollection that our quantities were
- 14 the largest in the United States.
- 15 BY MR. KENNEDY:
- Q. As you sit here today, do you know
- 17 and do you understand that over the years McKesson
- 18 has been the largest distributor of opioids in this
- 19 country?
- MS. HENN: Objection to form.
- THE WITNESS: No, I don't have that
- 22 knowledge.
- 23 BY MR. KENNEDY:
- Q. In 2005 McKesson was selling
- 25 oxycodones, were they not?

1 Α. In 2005 I believe that McKesson was -- oxycodone was one of the controlled substances 3 we sold. McKesson was selling hydrocodones; 4 Ο. 5 were they not? In 2005? 6 Α. 7 Q. Yes. 8 Α. Yes. And if I were to tell you that with 9 Q. 10 respect to narcotics and controlled substances, by 11 2005 McKesson was probably selling over a billion 12 dollars worth of those narcotics, would that be 13 contrary to your memory and your belief of the level of sales of McKesson in 2005? 14 Objection to form. 15 MS. HENN: 16 THE WITNESS: I don't have any specific 17 knowledge in what our sales quantities of those 18 substances were at that time. BY MR. KENNEDY: 19 20 Let me ask you -- see if we can

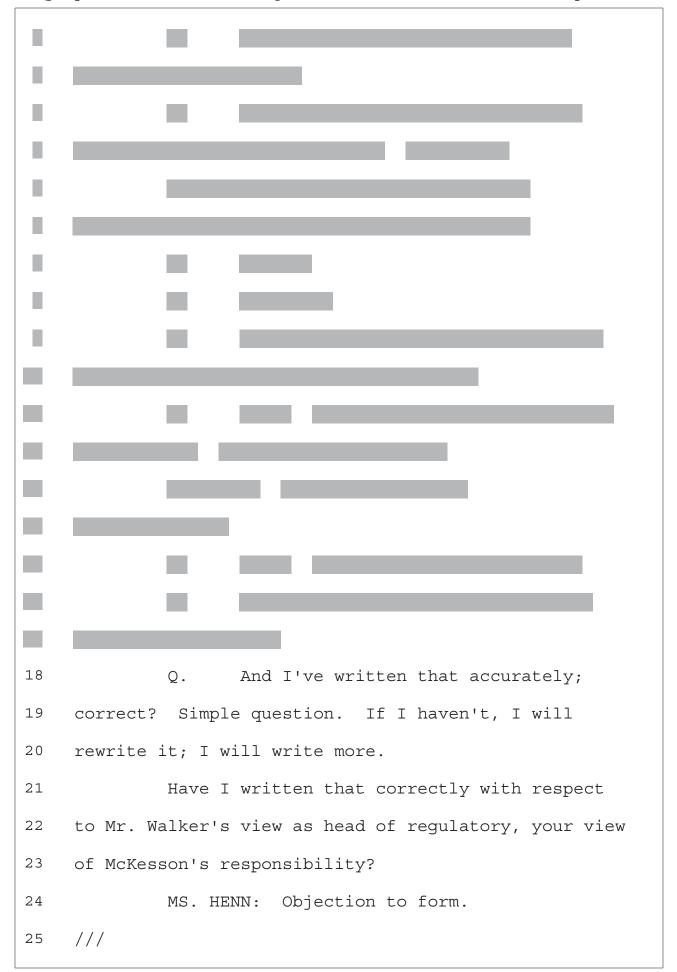












```
BY MR. KENNEDY:
 1
 2.
                     Have I written that accurately, sir?
              Q.
 3
                     That appears to be what I said.
              Α.
 4
              Ο.
                     Very good. All right.
 5
              So let's take a look at whether or not
    McKesson fulfilled its responsibility --
 6
     all right? -- according to Mr. Walker's view of their
 7
 8
     responsibility. All right?
9
              Α.
                     Okay.
10
                          (Exhibit No. 801 was marked.)
11
              MR. KENNEDY: If you can give me
12
    Exhibit 688, please.
13
                          (Exhibit No. 688 was marked.)
14
    BY MR. KENNEDY:
15
                     So let's look at McKesson's
16
     fulfilling of its responsibility, then, as you have
17
    described it. This is Exhibit 688, Bates -00496859
18
    to -875.
19
              This is a memorandum. Do you see that up at
20
     the top, it says, "Memorandum"?
21
                     Yes. Give me just a minute.
              Α.
22
              Yes.
23
    BY MR. KENNEDY:
24
                 And this is a Memorandum. This is a
              Ο.
```

DEA document; is it not? Do you see the DEA logo,

25

- 1 U.S. Department of Justice, Drug Enforcement
- 2 Administration? This is a memo from the DEA, from
- 3 their documents; true?
- A. That's what's on the document, yes.
- 5 Q. Well, Mr. Walker, you have seen this
- 6 document before; have you not? This came from your
- 7 files.
- A. Yes, I have seen this document.
- 9 MS. HENN: Objection to form.
- 10 BY MR. KENNEDY:
- 11 Q. When was the last time you saw this
- 12 document?
- 13 A. I believe the most recent was in
- 14 preparation for this deposition.
- Q. All right. So this is a memorandum.

Q. And this is an internal memoranda

- 1 that Mr. Mapes, from the DEA, created for Joseph
 - 2 Rannazzisi of the DEA; true? Is that true?
 - A. That would appear to be correct.
 - Q. And you know who Mr. Rannazzisi of
 - 5 the DEA is, do you not?
 - A. Yes, I do.
 - 7 Q. He held an important position with
 - 8 the DEA; did he not?
 - 9 A. Mr. Rannazzisi was the head of
- 10 diversion control.
- Q. And that's an important position; is
- 12 it not?
- 13 A. I believe so.
- Q. All right. Let's read the first

- of reading).
- He's from McKesson; right?
- MS. HENN: Objection to form.
- 24 BY MR. KENNEDY:
- Q. He's legal counsel at McKesson?

- 1 A. Mr. Gilbert is outside counsel for
- 2 McKesson.
- Q. All right. A lawyer; right?
- 4 A. Yes, he's a lawyer.
- 5 Q. Ronald Bone, Senior Vice President,
- 6 Distribution Support. He's from McKesson; correct?
- 7 A. Yes.
- Q. Gary Hilliard, Director of Regulatory
- 9 Affairs was present; right?
- 10 A. Yes.
- 11 Q. And as far as that -- the hierarchy,
- 12 the chain of command in Regulatory, he was right
- underneath you or he was two down from you; correct?
- 14 We just looked at that.
- 15 A. At -- that's not accurate. At this
- 16 time I was not in the role of Senior Vice President
- of Distribution. But ultimately he was.
- 18 Q. Okay. And Michael Mapes, from the
- 19 DEA, was at the meeting; true? Is that what it
- 20 indicates?
- 21 A. That's what the document indicates.
- Q. Charles E. Trant, Office of Chief
- 23 Counsel, Diversion and Regulatory Litigation
- 24 Division, that was a lawyer from the DEA present at
- 25 the meeting; true?

```
MS. HENN: Objection to form.
 1
 2.
              THE WITNESS: Again, that's what the
 3
     document represents.
 4
     BY MR. KENNEDY:
 5
                     Jim Crawford, from the DEA, he was
              Q.
     also there; correct?
 6
 7
                     According to the document.
 8
              Q.
                     Kyle Wright, from the DEA, was also
     at the meeting, according to the document?
10
              Α.
                     Yes, that's what's written.
11
              Ο.
                     That last sentence in the first
    paragraph states:
12
21
                     And you understand that they said
              Q.
22
     they wanted to talk to you about source of supply.
     That's McKesson, because McKesson is a source of
23
     supply to pharmacies; true?
24
25
              MS. HENN: Objection to form.
```

- 1 BY MR. KENNEDY:
- Q. That's what they are talking about?
- A. McKesson's role in the pharmaceutical
- 4 supply chain is to supply pharmacies.
- 5 Q. They are a source of supply? That's
- 6 what they are talking about in this memo; true?
- 7 MS. HENN: Objection to form.
- 8 THE WITNESS: I'm not sure what their intent
- 9 in writing the "source of supply." But McKesson does
- 10 supply pharmacies.
- 11 BY MR. KENNEDY:
- 12 Q. Are you telling me, you don't know
- what they mean by "source of supply"? You don't know
- 14 what that means?
- MS. HENN: Objection to form. Asked and
- 16 answered.
- 17 BY MR. KENNEDY:
- 18 Q. Is that your testimony?
- MS. HENN: Same objection.
- THE WITNESS: Again, I'm not sure
- 21 specifically what Mr. Mapes is intending or meaning
- there. What I can assure you is that McKesson
- 23 supplies pharmacies.
- 24 BY MR. KENNEDY:
- Q. All right. From your background,

11 Q. Let me ask you, meetings like this 12 didn't happen every week with the DEA where lawyers 13 are involved, the DEA is bringing all these folks, 14 and McKesson is bringing all these folks? These type 15 meetings with the DEA did not happen every week; 16 would that be true? 17 Α. Meetings at DEA headquarters were 18 not, you know, frequent. 19 This didn't even happen every month, Q. 20 where this many people from McKesson were brought in 21 to meet this many people at DEA headquarters? 22 didn't even happen once a month; did it? 23 Not that I recall. Α.

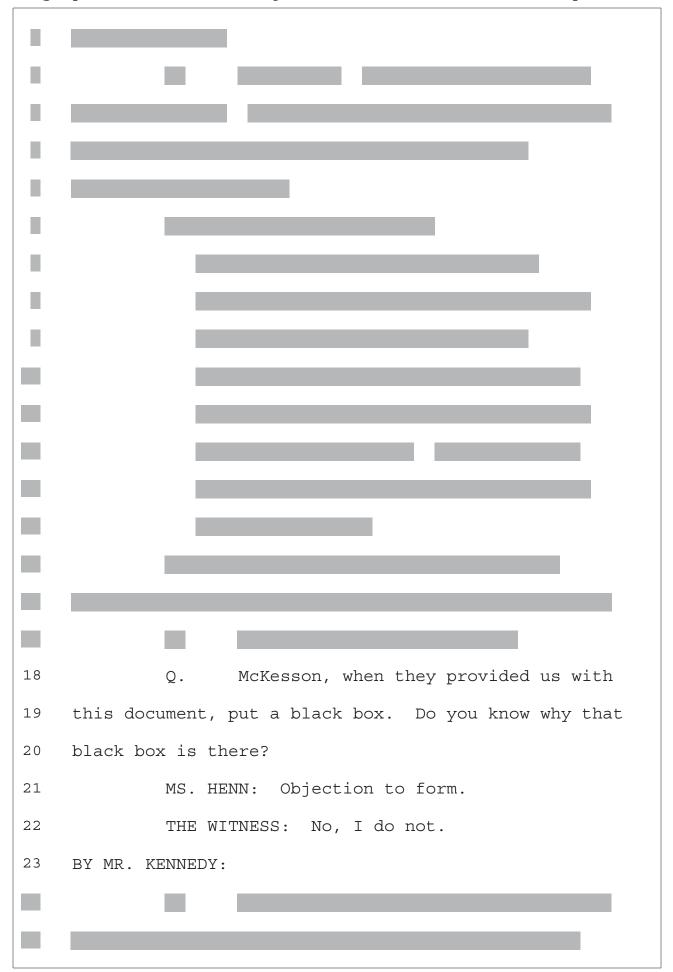
Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 48 of 446 PageID #: 165410 Further Confidentiality Review



Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 49 of 446 PageID #: 165411 Review

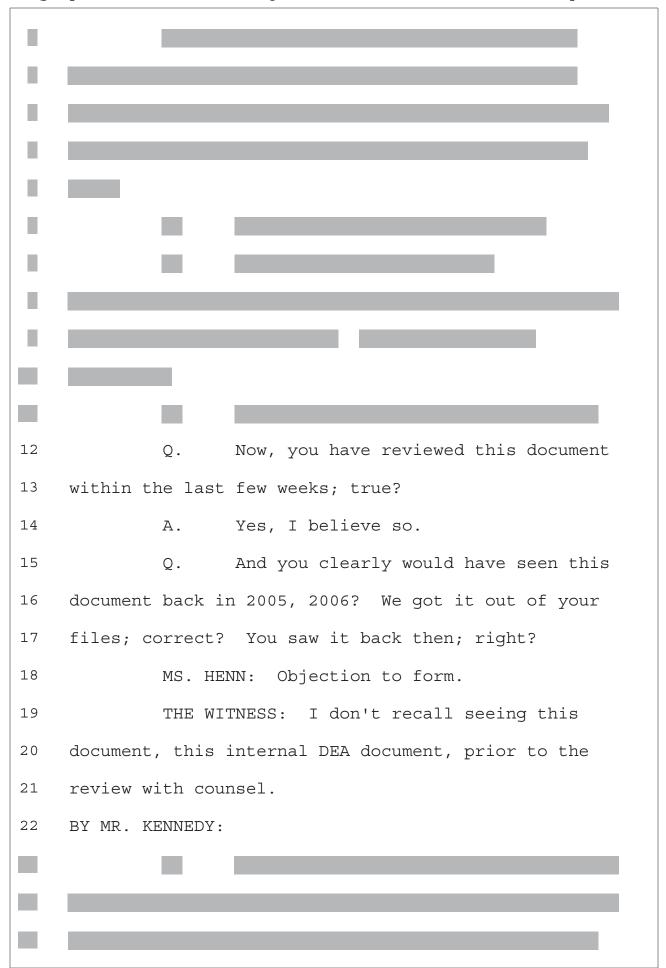






Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 52 of 446 PageID #: 165414 Fighly Confidential ty Review





Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 54 of 446 PageID #: 165416. Highly Confidential ty Review





months later. All right. Four months later. If we 1 could look at Exhibit 689, please. (Exhibit No. 689 was marked.) 3 4 MR. KENNEDY: That's a Bates -00496876 to 5 -878. You have got a September 1 meeting, 6 Q. I want to talk about four months later. You 7 have seen this document; have you not? Yes, I have. 9 Α. This is from your files. 10 Q. Yes, I have seen this document. 11 Α. 12 MS. HENN: Objection to form. 13 BY MR. KENNEDY: 14 Q. This is another -- this is another DEA memo; is it not? 15 16 It would appear to be a DEA memo, 17 yes.

1 Ο. Now, this is a DEA memo, again, 2 written to Mr. Rannazzisi; correct? 3 Α. That's correct. 4 Q. Let's look to the first paragraph. 13 The second paragraph states: 14 (Reading) Representing McKesson 15 Corporation were Donald G. Walker" --16 That's you; right? 17 Α. Yes, it is. 18 You're at the second meeting; right? Q. 19 Yes, I was at this meeting. Α. 20 And that point you were Senior Vice Q. 21 President of Distribution Operations; correct? 22 Α. That is correct. 23 So you're sitting on top of Ο. Regulatory Affairs at that point; true? 24 25 Α. Yes.

```
Ο.
                     Bill Mahoney, Distribution Center
 1
    Manager, Lakeland Distribution Center, Florida, was
 2.
     there; right? McKesson employee; true?
 3
 4
              Α.
                     Yes.
 5
              Ο.
                     Gary Hilliard, Director of Regulatory
 6
    Affairs, was there; right?
 7
              Α.
                     Yes.
 8
              Q.
                     McKesson. He's from McKesson; right?
 9
              Α.
                     Yes, he was.
                     And John Gilbert, one of McKesson's
10
              Q.
11
     lawyers was present; true?
12
              Α.
                     That is correct.
13
                     And it says -- next paragraph down it
              Ο.
14
     outlines now who is there from the DEA. It says:
15
                  (Reading) Representing Drug
16
                 Enforcement Administration (DEA)
17
                 Office of Diversion Control (OD) were
18
                 Joseph Rannazzisi, Deputy Assistant
19
                 Administrator, Michael R. Mapes,
20
                 Chief, E-Commerce Section (end of
21
                 reading).
22
              Another DEA person; true?
23
              Α.
                     Yes.
                     Kyle Wright, Chief E-Commerce
24
              Ο.
25
     Operations from the DEA was present; right?
```

1	A. Yes.
2	Q. And then Charles E. Trant, a DEA
3	Chief Counsel, a lawyer, was also present; right?
4	A. That's what's represented on the
5	document, yes.
6	Q. The next paragraph down. Could you
7	read that to us. Read the next paragraph down.



Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 61 of 446 PageID #: 165423 Filed: 07/23/19 Filed: 07/23



Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 62 of 446 PageID #: 165424 Fighly Confidential ty Review



Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 63 of 446 PageID #: 165425 Filed: 07/23/19 63 of 446 PageID #: 165425 Review



Case: 1:17-md-02804-DAP_Dog#: 1964-53 Filed: 07/23/19 64 of 446 PageID #: 165426 Further Confidentiality Review



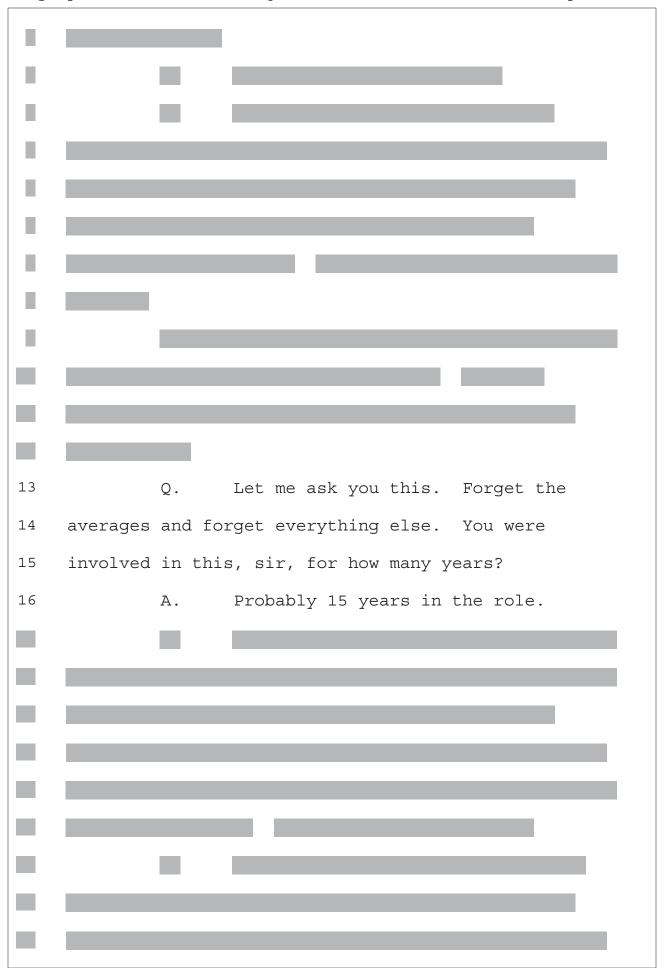
Case: 1:17-md-02804-DAP_Dog#: 1964-53 Filed: 07/23/19 65 of 446 PageID #: 165427 Review



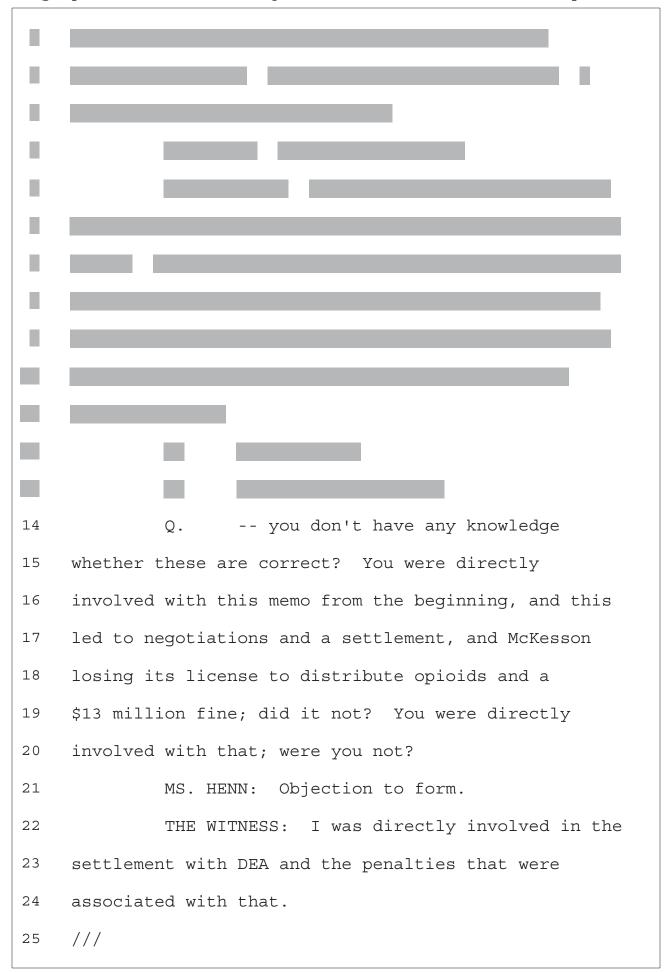
6	BY MR. KENNEDY:
7	Q. The next bullet point down, "The
8	E-Commerce Section" that's the DEA "retrieved
9	ARCOS data" and that's a database where the DEA
10	can look at what McKesson is actually distributing
11	and selling; true? That's what the ARCOS data is?
12	A. The ARCOS data is data that we
13	provided that is required by the regulation. So
14	it is data of sales of controlled substances that are
15	required to be reported.
16	Q. So it states:



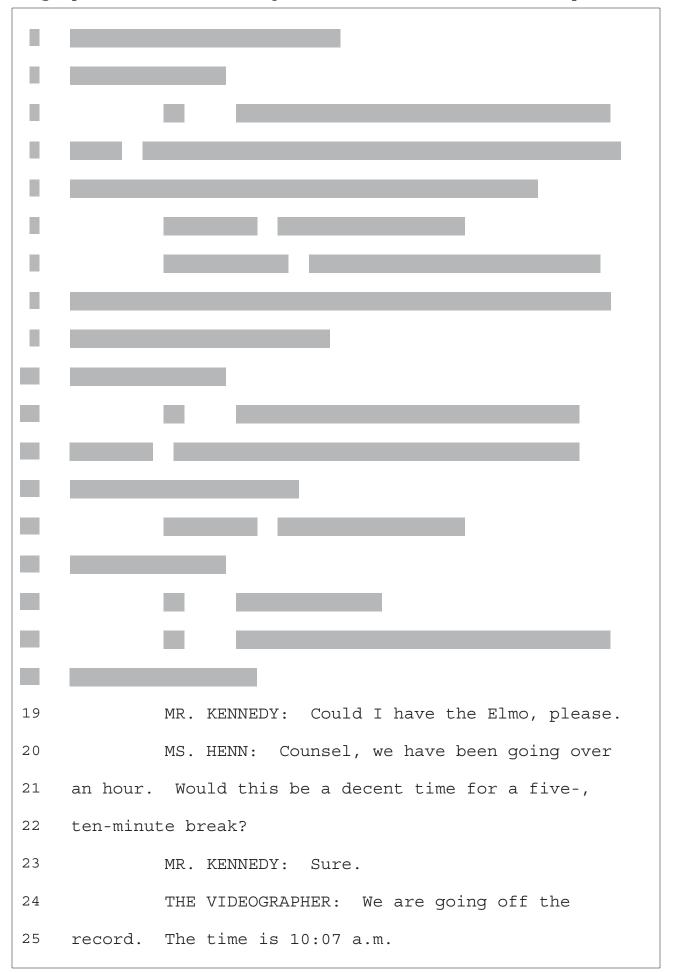
hydrocodone? Do you remember that? Remember that 1 communication, all during this period? 3 MS. HENN: Objection to form. THE WITNESS: I recall DEA indicating that 4 5 5,000 doses of controlled substances was average. BY MR. KENNEDY: 6 7 That's an average monthly dose; Q. right? 8 That's what I recall. 9 Α.







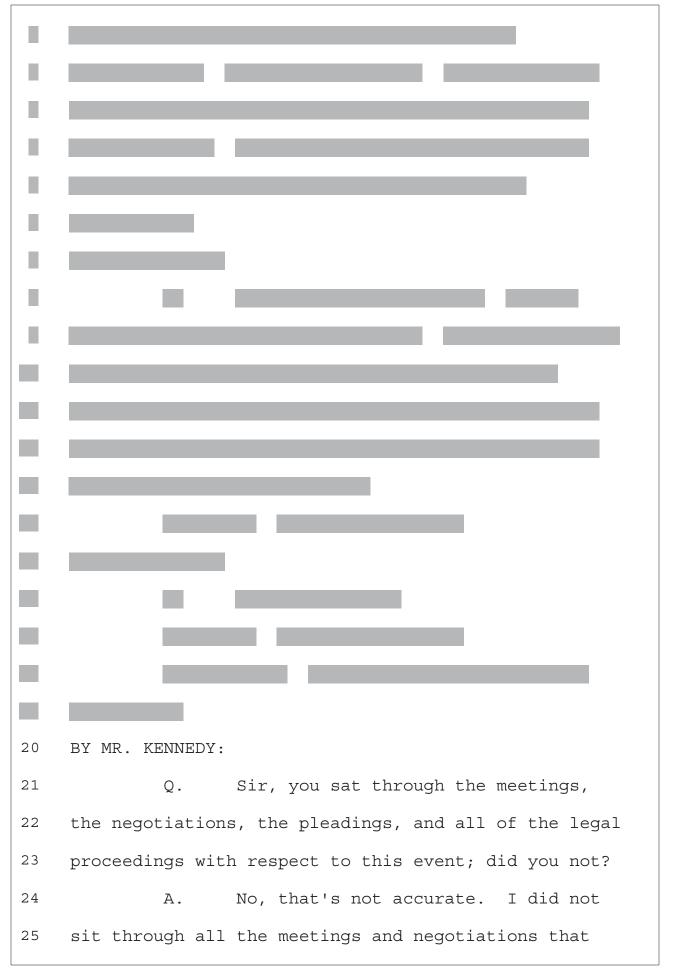




```
(Recess taken.)
 1
 2
              THE VIDEOGRAPHER: We are back on the
    record. The time is 10:22 a.m.
 3
    BY MR. KENNEDY:
4
                     Hydrocodone is a controlled
21
              Q.
    substance; right?
22
23
                     Yes, it is.
              Α.
```

Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 75 of 446 PageID #: 165437 Review





1	took place between counsels.
2	Q. Did you sign the agreement with the
3	DEA in relation to these violations, these sales of
4	hydrocodones? Did you sign the very settlement
5	agreement; sir?
6	A. I signed the 2008 memorandum
7	agreement, yes.
8	Q. Let me back up, because I just I
9	just want to be clear about it.

Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 78 of 446 PageID #: 165440 Further Confidentiality Review





- 1 able to sell narcotics to pharmacies: Right? If you
- 2 have got to give your registration back, that's what
- 3 that means?
- 4 A. If a registration is suspended or
- 5 revoked, then you're unable to sell controlled
- 6 substances.

- ____

- 17 BY MR. KENNEDY:
- 18 Q. And you ended up surrendering your
- 19 registration; didn't you?
- MS. HENN: Objection to form.
- THE WITNESS: Counsel, that's not correct.
- We had a limited suspension of certain controlled
- 23 substances from certain distribution centers, is the
- 24 result of the agreement with DEA.
- 25 ///

1	BY MR. KENNEDY:
2	Q. We will look at that specifically.
3	Let's go down to after some bullet points, I want
4	to go down to the paragraph that starts with
5	"Through."
6	Do you see this paragraph that starts with
7	"Through"?

Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 82 of 446 PageID #: 165444 PageID #: 16544 PageID #:



Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 83 of 446 PageID #: 165445. Filed: 07/23/19 83 of 446 PageID #: 165445. Review



And tell the jury what generic 6 Q. 7 hydrocodones are. 8 Α. In all pharmaceuticals or medicines, as a brand drug comes to market, it stays brand for a 10 period of time, at which time a generic drug can be 11 manufactured that has the same pharmacological 12 characteristics as the brand medication. So it's 13 very common in pharmaceutical industry for generics. 14 Amoxicillin is probably the best example that 15 everybody would know. 16 And, sir, the majority of 17 hydrocodones that McKesson was selling were generic; 18 were they not? 19 I do not know what quantities were 20 brand versus generic at that point in time. 21 In a general sense, that has always Q. 22 been true at McKesson? You sell more generics than 23 you do brand name controlled substances; hasn't that always be true? 24 25 MS. HENN: Objection to form.



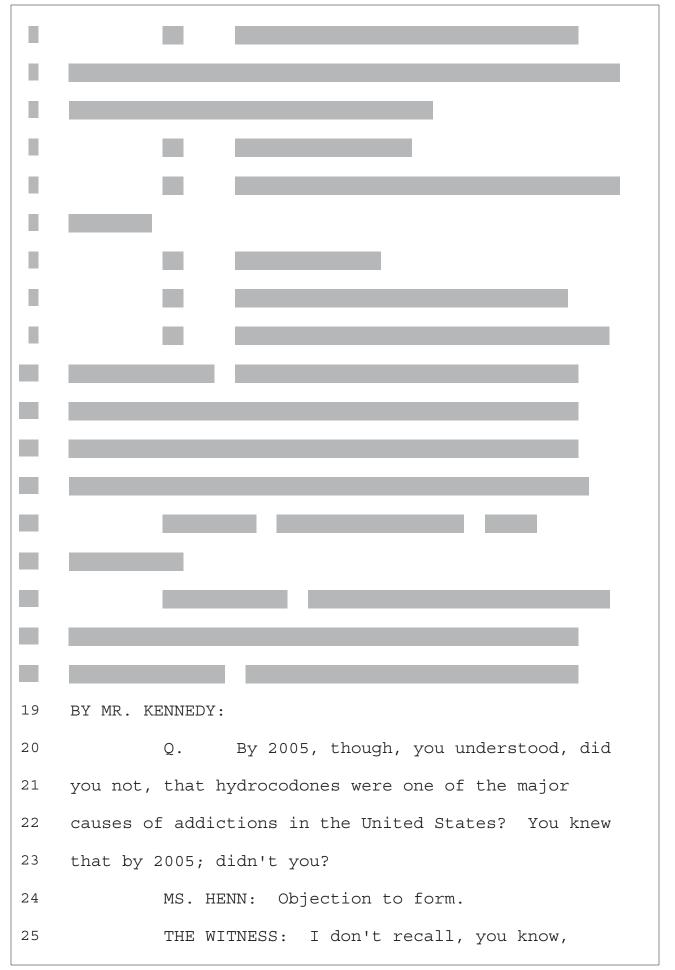


BY MR. KENNEDY: 8 Ο. Sir, McKesson had the duty since 1970 to identify and report suspicious orders of 10 controlled substances; did they not? 11 I don't know specifically when the Α. 12 CFR was generated. It was in the early '70s. But in 13 the time that I was there, we had the responsibility. 14 Q. And that included generic 15 hydrocodones, did it not, that duty, that 16 responsibility? 17 MS. HENN: Objection to form. 18 foundation. 19 THE WITNESS: We were responsible to report 20 the sales of all pharmaceutical or controlled substances that were reportable to the DEA. 21 22 MR. KENNEDY: Okay. I'm going to ask to 23 strike your answer. Could you read back my question, I want you to listen real careful, and I want 24 25 you to answer this question. Not what you want to

```
answer. I want you to answer what I'm asking this
 1
    point forward, if you could.
 3
              MS. HENN: Objection to form.
 4
              MR. KENNEDY: Could you read it back,
 5
    please.
                 (Record read as follows: QUESTION:
 6
 7
                 And that included generic
 8
                 hydrocodones, did it not, that duty,
                 that responsibility?)
 9
10
              MS. HENN: Same objection. Lacks
    foundation.
11
12
              THE WITNESS: Hydrocodone -- all hydrocodone
13
    was a reportable controlled substance.
14
    BY MR. KENNEDY:
                     Including generic hydrocodone; true?
15
              Q.
16
              Α.
                     Including generic hydrocodone, yes.
17
                     Because generic hydrocodone, sir, is
              Q.
18
     just as addictive as brand-name hydrocodone; is it
19
    not?
20
              MS. HENN: Objection to form.
21
              THE WITNESS: I have no expertise on
22
     addiction rates or addiction. So I can't comment
23
    whether -- one versus the other.
24
    BY MR. KENNEDY:
25
                     They weren't any different
```

Ο.

chemically; were they? 1 2. MS. HENN: Objection to form. 3 BY MR. KENNEDY: Branded versus generic aren't 4 5 different chemically? Generally, my understanding is that 6 Α. they were very close, if not identical, in terms of 7 8 chemical makeup. But, again, I don't have the level of expertise to testify absolutely that they were the 10 same. Generic hydrocodone, sir, your 11 Ο. 12 understanding generic hydrocodone was just as likely to cause an overdose and death as a named brand 13 14 hydrocodone; true? MS. HENN: Objection to form. 15 16 THE WITNESS: My understanding is that 17 generic hydrocodone, as it's designed for medical 18 purposes, it was the same as brand hydrocodone. BY MR. KENNEDY: 19



- 1 specifically having any awareness of hydrocodone
- 2 being a national issue in 2005.
- 3 BY MR. KENNEDY:
- Q. By 2005, sir, didn't you understand
- 5 that hydrocodones were one of the most highly
- 6 diverted drugs in this country?
- 7 MS. HENN: Objection to form. Lacks
- 8 foundation.
- 9 BY MR. KENNEDY:
- 10 Q. Do you understand that by 2005?
- MS. HENN: Same objection.
- 12 THE WITNESS: I don't -- I don't have any --
- any recollection or knowledge of that.
- 14 BY MR. KENNEDY:
- Q. So at this point in time, in 2005 to
- 16 early 2006, when you have this period where you sell
- 17 two million hydrocodones, are you saying that you did
- 18 not understand that hydrocodones were one of the most
- 19 highly diverted drugs in this country? You didn't
- 20 know that?
- MS. HENN: Objection. Asked and answered.
- 22 Lacks foundation.
- THE WITNESS: I had no knowledge or
- 24 understanding of addiction rates of hydrocodone.
- 25 ///

- 1 BY MR. KENNEDY:
- Q. You had been selling hydrocodones for
- a decade or more, making millions of dollars, and you
- 4 didn't understand that; is that your testimony?
- 5 MS. HENN: Objection. Asked and answered.
- 6 Lacks foundation.
- 7 THE WITNESS: In 2005 I had no knowledge and
- 8 don't recall.
- 9 MR. KENNEDY: I am going to give you
- 10 Exhibit 695.
- 11 (Exhibit No. 695 was marked.)
- 12 BY MR. KENNEDY:
- Q. Sir, I'm going to show you --
- MS. HENN: Counsel, this appears to have
- been printed without Bates number or confidentiality
- 16 stamp. So we would just ask, for the record, that
- 17 those -- the number and the confidentiality
- designation be read into the record, if you have it.
- MR. KENNEDY: The Bates numbers?
- MS. HENN: The Bates number, so the people
- on the phone know what you're looking at.
- MR. KENNEDY: These are not Bates numbered.
- 23 This comes from the U.S. Department of Justice, Drug
- 24 Enforcement Administration.
- MS. HENN: Has it not been produced in this

- 1 litigation?
- MR. KENNEDY: Well, I can't tell you I've
- 3 got a memory of all 20 million documents produced, so
- 4 I really don't know.
- 5 MS. HENN: Okay.
- 6 BY MR. KENNEDY:
- 7 Q. Do you see the DEA logo on
- 8 Exhibit 695, sir?
- 9 A. Yes, I do.
- 10 Q. Does it say, "U.S. Department of
- 11 Justice, Drug Enforcement Administration"; correct?
- 12 A. Yes.
- Q. Do you see the Bates stamp there?
- 14 They are -- they are not Bates stamped, but a date
- 15 stamp of July 28, 2004; do you see that?
- 16 A. Yes.
- Q. And you were just telling me you
- don't think you had knowledge of -- with respect to
- 19 the diversion, the addiction of hydrocodones in 2005.
- 20 That's what we were talking about; right?
- MS. HENN: Objection. Asked and answered.
- 22 BY MR. KENNEDY:
- Q. Correct, sir? Is that what we just
- were talking about, your knowledge in 2005; right?
- A. That's correct.

```
And then in 2005 you were the boss
 1
              Ο.
    with respect to McKesson's regulation, diversion of
     controlled substances; correct?
 3
 4
              MS. HENN: Objection. Lacks foundation.
 5
              THE WITNESS: In the latter part of 2005, I
 6
    assumed that responsibility.
 7
    BY MR. KENNEDY:
 8
              Ο.
                     All right. And this is July '04. So
    this is -- this is even before that date; right? So
10
     this is available before that date; all right?
11
             MS. HENN: Objection to form.
12
    BY MR. KENNEDY:
13
                     Go to page 2. 132 at the bottom,
14
    page 2 up at the top. The second sentence,
15
     "Despite." Does it state:
16
                 (Reading) Despite their obvious
17
                 utility in medical practice, as stated
18
                 above, hydrocodone products are among
19
                 the most popular pharmaceutical drugs
20
                 associated with drug diversion,
21
                 trafficking, abuse and addiction (end
22
                 of reading)?
23
              Is it your testimony you did not know that
     in 2005?
24
                     Counsel, as I answered, I do not
25
              Α.
```

- 1 recall having any specific knowledge of hydrocodone
- or this issue. This is the first time I've seen this
- document and had no other personal knowledge.
- Q. Well, you're in charge of Regulatory
- 5 in 2005; right?
- MS. HENN: Objection to form.
- 7 THE WITNESS: I assume --
- 8 BY MR. KENNEDY:
- 9 Q. Correct?
- 10 A. I assumed responsibility for
- 11 Regulatory in September of 2005.
- Q. And McKesson is selling millions upon
- millions of hydrocodones in 2005; are they not?
- 14 A. I don't know specifically the
- quantities that we were selling. We sold hydrocodone
- 16 as one of the controlled substances we provided to
- 17 our licensed pharmacies.
- 18 Q. Look at the first bullet. And this
- is a -- this is in a government available document.
- 20 Look at the first bullet, "Hydrocodone has an abuse
- 21 liability similar to morphine."
- 22 Did you know that?
- MS. HENN: Objection to form.
- 24 BY MR. KENNEDY:
- Q. Did you know that in 2005?

- 1 A. No, Counsel, I -- as I said, I don't
- 2 have and did not have any personal knowledge of, you
- know, hydrocodone or its comparison to morphine.
- 4 Q. Look at the next bullet, first
- 5 sentence. Now you're in charge of making sure that
- 6 hydrocodones as a controlled substance are not being
- 7 diverted; correct?
- 8 A. We had the responsibility --
- 9 Q. I asked you about, were you in charge
- 10 of that responsibility?
- MS. HENN: Objection to form.
- Let the witness finish his answer, please.
- 13 THE WITNESS: I had responsibility for our
- 14 regulatory and our compliance, which included
- 15 quarding against and preventing -- quarding against
- 16 the diversion of controlled substances.
- 17 BY MR. KENNEDY:
- 18 Q. Does the next bullet point in this
- 19 DEA document say, "Hydrocodone products are
- 20 associated with significant diversion"? Does it
- 21 state that?
- 22 A. Paragraph 2, that's what the document
- 23 says. And DEA is alleging, yes.
- Q. You say, "DEA is alleging." Is that
- what you said? Did you say, "DEA is alleging"?

- 1 A. This is -- this is their document.
- Q. When you say "allege," you didn't --
- 3 there's not much question about that. This is more
- 4 than an allegation. That's the truth in 2005, from
- 5 everything you know, sir? Fifteen years in this,
- 6 that's the truth; is it not?
- 7 MS. HENN: Objection to form. Lacks
- 8 foundation.
- 9 THE WITNESS: Counsel, again, I -- as I
- 10 stated, I do not remember having any specific
- 11 recollection around discussions either -- or
- documents around hydrocodone's addictive and its
- comparison to others.
- 14 BY MR. KENNEDY:
- 15 Q. I just want to go back.
- 16 A. I'm just simply looking at the
- document and trying to answer your question.
- 18 Q. I just want to ask you real simple.
- 19 You used the words, "DEA alleges." Was the problem
- in 2005 that you and McKesson thought that these were
- just DEA allegations with respect to hydrocodones and
- 22 diversion? Did you think these were just
- 23 allegations?
- MS. HENN: Objection to form.
- 25 Mischaracterizing the testimony and lacks foundation.

BY MR. KENNEDY: 1 2. Is that what you thought in 2005, Ο. sir? 3 4 Α. Counsel, I was answering your 5 question specific to this document. I don't know. And certainly I'm not sure I can answer the question 6 7 as you asked it. 8 Ο. Next says -- next bullet, first sentence, "Hydrocodone products are associated with 10 significant drug abuse." 11 Did you know that in 2005, as the person who 12 was in charge of Regulatory? Did you know that? 13 MS. HENN: Objection to form. 14 THE WITNESS: Again, I don't recall being 15 specifically aware of a hydrocodone drug abuse issue. 16 BY MR. KENNEDY: 17 Ο. The next bullet: 18 (Reading) Poison control data, DAWN 19 medical examiner (ME) data and other 20 ME data indicate that hydrocodone 21 deaths are numerous, widespread and

increasing in number (end of reading).

22

Case: 1:17-md-02804-DAP_Doc#: 1964-53 Filed: 07/23/19 99 of 446 PageID #: 165461 Review



```
6
                          (Exhibit No. 693 was marked.)
 7
    BY MR. KENNEDY:
 8
              Ο.
                     Showing you what has been marked as
    Exhibit 693. 693, all right, which is No. -497154.
10
              Go to the second page, if you would. And I
    believe this is a document prepared by the DEA and
11
12
    provided to us by McKesson.
13
              Do you see the chart on page -155? Do you
14
     see that?
15
              Α.
                     Yes.
                     Now, this is McKesson hydrocodone
16
17
    sales and distributions from October 1, now, to
18
     January 31, a four-month period. We've been talking
19
     about just 11 days in October.
20
              This is a four-month period; do you see
21
    that?
22
              Α.
                     Yes.
23
                     This is in Florida, just Florida;
              Q.
    all right?
24
```

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 101 of 446 PageID #: 165463 Highly Confidential #: 1800 Ject to Further Confidential #: Review





that's where the DEA gets its number; true? 1 MS. HENN: Objection to form. 2. 3 I know that ARCOS is one of THE WITNESS: the sources of DEA's data. But I don't know that 4 5 it's exclusive. BY MR. KENNEDY: 6 7 And tell the jury who provides the DEA with the ARCOS data on your sales. Who provides 8 that to them? 9 10 We submit on a monthly basis, as required by the regulation, the ARCOS data on the 11 12 sales of controlled substances that are required to 13 be reported. 14 Q. McKesson gives them the numbers on what you're selling them; right? 15 16 We provide the ARCOS data to DEA.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 104 of 446 PageID #: 165466 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964:53 Filed: 07/23/19 105.0f.446 PageID #: 165467 ew



6 BY MR. KENNEDY: 7 And that included, number one, 8 identifying orders of unusual size; correct? MS. HENN: Objection to form. 9 10 THE WITNESS: In the suspicious order regulation, unusual size is called out. 11 12 BY MR. KENNEDY: 23 Absolutely. And that's more than Q. just making sure you're selling to a pharmacy that's 24 got a license; right? Correct? 25

1 Α. And report to the DEA. 13 BY MR. KENNEDY: 14 Q. You don't remember that that is the reason that you got fined \$13 million? 15 16 MS. HENN: Objection to form. foundation. 17 18 BY MR. KENNEDY: 19 You don't remember? Ο. 20 Α. I don't remember or have any 21 independent knowledge of whether or not any of these 22 pharmacies ever reported to DEA during that time 23 frame. 24 All right. Sir, I wrote down some of Q. 25 the dates of what we have been talking about so we

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 108 of 446 PageID #: 165470 Highly Confidential #: 1800 Further Further Confidential #: 1800 Further Further Confidential #: 1800 Further Furt



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 109 of 446 PageID #: 165471 Highly Confidential #: 4 Subject to Further Confidential #: 7 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 110.of 446 PageID #: 165472 Highly Confidential #: 1800 Ject to Further Confidential #: Review

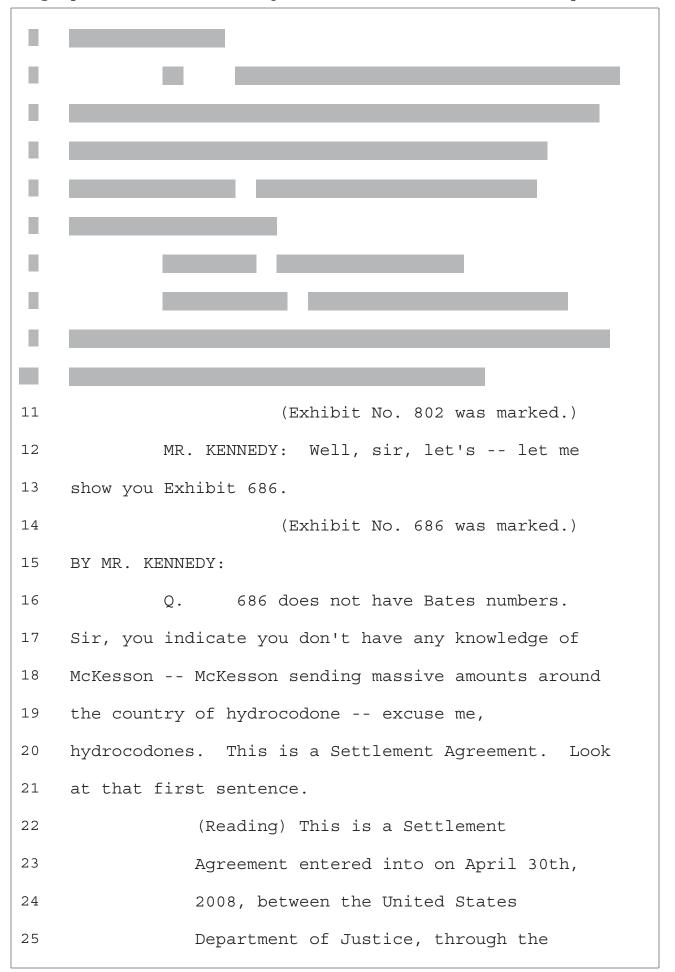


Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 111 of 446 PageID #: 165473 Filed: 07/23/19 III of 446 PageID #: 165473 Filed: 07/23/19 II of 446 PageID #: 165473 Fil



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 112 of 446 PageID #: 165474 Highly Confidential #: 1800 Ject to Further Confidential #: Review





```
1
                 United States Attorney's Office, for
 2.
                 the Districts of Maryland, Middle
                 Florida, Southern Texas, Colorado,
 3
 4
                 Utah, and Eastern California (end of
 5
                 reading).
 6
              Do you see that?
 7
              Α.
                     I see that.
 8
              Q.
                     And the Settlement Agreement is with
    McKesson Corporation; true?
10
              Α.
                     Yes.
11
              Q.
                     You signed this document; did you
12
    not?
13
                     Yes, I did.
              Α.
14
                     And that's why I'm asking, why is it
              Q.
15
     that you didn't have any knowledge that this was
16
     going on across the country? You signed this
17
     document; didn't you?
18
              MS. HENN: Objection to form.
19
              THE WITNESS: I signed this document,
20
    Counsel.
    BY MR. KENNEDY:
21
22
                     Let's go to the next page, down to
    No. 8 on the next page. See where it says, on No. 8,
23
    paragraph 8, "The Covered Conduct shall mean the
24
25
     following alleged conduct"? Do you see that?
```

```
1
              Α.
                     Yes.
 2.
                     "A: Within the District of
              Q.
    Maryland" -- and that's not Florida; right? Can we
 3
 4
     agree that's not Florida?
 5
              Α.
                     Maryland is not Florida.
                     (Reading) -- from January 2005?
 6
              Q.
 7
                 through October 2006,
 8
                 McKesson-Landover sold approximately
                 three million dosage units of
 9
10
                 hydrocodone to New Care Pharmacy in
11
                 Baltimore and failed to report these
12
                 sales as suspicious orders to DEA when
13
                 discovered, as required by and in
14
                 violation of 21 C.F.R 1301.74(b), and
15
                 21 U.S.C. 842 (a) (5) (end of reading).
16
              Do you see that?
17
              Α.
                     Yes.
18
                     That's 150,000 hydrocodones a month,
              Q.
     if I did the math right. Do you see that?
19
20
     would be 30 times the national average?
21
              MS. HENN: Objection to form.
    BY MR. KENNEDY:
22
23
                     The DEA national average; right?
              Ο.
     I did my math right.
24
25
              MS. HENN: Objection to form.
```

```
BY MR. KENNEDY:
 1
 2.
                     Do you see that?
              Ο.
 3
              Α.
                     Again, if using DEA's average, which
 4
     I can neither support or refute, and the dosage units
    here, that your math is correct.
 5
                     That's Maryland; right? So let's
 6
              Q.
 7
     go -- No. B, that's the Middle District of Florida,
 8
     and that's probably what we've been talking about;
 9
     correct?
10
              Α.
                     Yes.
11
              Q.
                     And then go to C. Now we're in the
12
     Southern District of Texas; right? And does it
13
     state:
14
                 (Reading) from February to December of
15
                 2007, McKesson-Conroe sold
16
                 approximately 2.6 million dosage units
17
                 of hydrocodone to Mercury Drive
18
                 Pharmacy and Maswoswe's Alternative
19
                 Pharmacy and failed to report those
20
                 sales as suspicious orders to DEA when
21
                 discovered (end of reading).
22
              Did I read that right?
23
              Α.
                     Yes, you read that correctly.
24
                     And that's over eight months.
              Q.
25
     that would be about 150,000 a month, if I did my math
```

- 1 right; correct?
- A. If you divide what that says, that
- 3 would be correct for the two pharmacies.
- Q. And, again, if the DEA was correct,
- 5 and that the national average is about 5,000 a month,
- 6 what's this? About 30 times? 30 times the national
- 7 average; right?
- 8 MS. HENN: Objection to form.
- 9 BY MR. KENNEDY:
- 10 Q. Correct?
- 11 A. Are you referring to the Texas
- 12 pharmacies?
- Q. We're on Texas, yes, sir.
- 14 A. If the math -- but, again, it would
- 15 be -- there's two pharmacies involved. But your math
- 16 would be correct.
- Q. And not one order was reported to the
- 18 DEA; was it?
- 19 MS. HENN: Objection to form. Lacks
- 20 foundation.
- 21 BY MR. KENNEDY:
- Q. Is that right?
- A. I don't have any specific knowledge
- of what was or wasn't reported to DEA.
- 25 Q. What does it state here. "Failed to

```
report these sales as suspicious orders to the DEA";
 1
     does it say that?
 3
                     That's what it says. That was the
              Α.
 4
     allegation.
 5
              Q.
                     Did you sign this?
                     I did.
 6
              Α.
 7
                     Let's go to D on the next page.
              Ο.
 8
     is Colorado now. It states:
 9
                  (Reading) With respect to Colorado,
10
                 from September 2005 through November
11
                 of 2007, McKesson-Aurora sold large
12
                 quantities of hydrocodone to three
13
                 Colorado pharmacies (end of reading).
14
              Is that what it states with respect to
     Colorado?
15
16
              Α.
                     That is correct.
17
                     E, now we're in Utah:
              Q.
18
                  (Reading) From January 2005 through
19
                 October 2007, McKesson-Salt Lake City
20
                 sold approximately 825,000 dosage
21
                 units of hydrocodone, oxycodone,
22
                 Fentanyl and Methadone to the
23
                 Blackfeet Clinic in Browning, Montana
24
                 (end of reading).
25
              Does it state that?
```

- 1 A. Yes, that's what it states.
- Q. And, again, failed to report any of
- 3 these to the DEA as suspicious orders; true?
- 4 MS. HENN: Objection to form. Lacks
- 5 foundation.
- 6 BY MR. KENNEDY:
- 7 Q. Correct?
- 8 MS. HENN: Same objections.
- 9 THE WITNESS: What is written is that
- 10 allegation.
- 11 BY MR. KENNEDY:
- 12 Q. You signed the document; right?
- 13 A. I signed the agreement.
- Q. And, again, just to backtrack a
- 15 second. The responsibility of McKesson, with respect
- 16 to suspicious orders, included identifying orders of
- 17 unusual size; true? Is that true?
- 18 A. As part of the regulation, size is a
- 19 factor.
- Q. Part of your responsibility, is to
- 21 identify unusual orders of size; correct?
- MS. HENN: Objection to form.
- THE WITNESS: We were responsible for
- 24 reporting suspicious orders, which included unusual
- 25 size.

- 1 BY MR. KENNEDY:
- Q. Sir, I asked you a "yes" or "no"
- question. And we have a limited amount of time here.
- 4 And I know you've been instructed to repeat my
- 5 question in your answer to take up time. But if I
- 6 asked you a "yes" or "no" question, I want you to
- 7 answer it "yes" or "no" so we can move forward with
- 8 this and not waste time having you repeat my question
- 9 in every answer, as you've been instructed to.
- 10 All right?
- MS. HENN: Counsel, I don't appreciate the
- 12 kind of --
- MR. KENNEDY: But it's the truth.
- MS. HENN: -- allegation you're making.
- MR. KENNEDY: It's the truth, and you know
- 16 that.
- MS. HENN: You don't know that. And you're
- 18 just arguing with the witness and wasting time.
- MR. KENNEDY: Are you going to deny that
- 20 that's the truth?
- 21 MS. HENN: I am --
- MR. KENNEDY: Are you going to deny that
- that is the truth of how he has been prepared?
- MS. HENN: Counsel, you know you have no
- right to know anything about how he has been

- 1 prepared. He is here to answer your questions and
- 2 has been doing that in good faith, and I suggest you
- 3 move on and ask the question.
- 4 MR. KENNEDY: Absolutely. Because you know
- 5 I have no right to know how you have prepared the
- 6 witness, you know --
- 7 MS. HENN: Counsel --
- 8 MR. KENNEDY: -- you can get away with
- 9 instructing him to repeat my question and every
- 10 answer to waste our seven hours.
- MS. HENN: Counsel, you have no basis and no
- 12 right to make these allegations and waste time in the
- 13 deposition.
- Mr. Walker has come from retirement to spend
- time answering your questions, and he's doing a
- 16 good-faith job of that. And I suggest we move on
- 17 from this tantrum and --
- MR. KENNEDY: It's not a tantrum.
- 19 MS. HENN: -- pay attention to the job at
- 20 hand.
- If you would like to call the Special Master
- 22 and have him review this transcript, I think he will
- agree that the witness is doing a fine job of
- 24 responding to your argumentative questions, and will
- 25 continue to do that throughout the day.

- 1 MR. KENNEDY: Nobody answers questions in
- that fashion unless they are told to do so. I
- 3 don't -- I don't blame him one bit. He's a gentleman
- 4 coming here from his retirement and having to answer
- 5 these questions because of the company that he worked
- for and what they did to this country.
- 7 What I am objecting to is the way you have
- 8 instructed this witness to waste our time.
- 9 MS. HENN: Counsel --
- MR. KENNEDY: That's what I am objecting to.
- 11 So let's be clear.
- MS. HENN: Are you done with your speech now
- 13 so we can move on?
- MR. KENNEDY: I all am done, so let's move
- 15 on.
- MS. HENN: Thank you.
- MR. KENNEDY: I hope, I just hope that he
- 18 ceases and stops what he is doing.
- MS. HENN: He's not doing anything of the
- 20 sort. And I suggest we focus on the task at hand.
- 21 BY MR. KENNEDY:
- Q. Sir, let's now go to California, if
- 23 we could. Does this Settlement Agreement, in
- 24 California state, that:
- 25 (Reading) From October of '07 through

```
1
                 June of '07, McKesson-West Sacramento
                 suffered the theft of significant loss
 2.
 3
                 of controlled substances on 28
 4
                 separate occasions and failed to
 5
                 timely submit required theft and loss
                 reports to the DEA (end of reading)?
 6
 7
              Is that what it states here? Now, this is
    California.
 8
                     That's what it states.
 9
              Α.
10
              MR. KENNEDY: I want you to look at
11
    Exhibit 688.
12
              I'm sorry, 687.
13
                         (Exhibit No. 687 was marked.)
14
              MR. KENNEDY: 687 Exhibit starts with Bates
     -00574724 and ends with -4744.
15
16
              Q. Mr. Walker, have you seen this
    document before?
17
18
                     Yes, I have.
              Α.
19
              Ο.
                     And this would relate to a meeting of
20
     "Directors of Regulatory"? Is that what it says?
21
              Α.
                     Yes.
22
                     This would have been in Dallas, March
              Q.
23
     5-6, 2008; true?
24
              Α.
                     Yes.
25
                     Do you remember who was present at
              Q.
```

- 1 this meeting?
- 2 A. I don't remember specifically all the
- 3 participants. I know that our newly-hired Director
- 4 of Regulatory Affairs and my Regulatory staff was
- 5 there. But I don't know who else might have been
- 6 there.
- 7 Q. And the purpose of the meeting was
- 8 what?
- A. As I recall, the purpose of the
- 10 meeting was to review with the Regulatory staff and
- 11 then expanded the overview of the Memorandum of
- 12 Agreement that we were moving forward with. We
- 13 hadn't signed it yet, but we were very close. So we
- 14 had the components.
- 15 Q. That was the Memorandum of Agreement
- 16 that we just talked about with the DEA, with the
- 17 Department of Justice?
- 18 A. Yes, the same memorandum.
- 19 Q. And it was signed by you, and it was
- 20 also signed by Mr. Hammergren, that agreement with
- 21 the DEA; was it not?
- 22 A. I'd -- I'd have to look.
- Q. Let me ask you this. Where -- in
- relation to the company in 2008, where were you with
- 25 respect to -- Mr. Hammergren was the CEO?

- 1 A. Yes, he's the CEO.
- Q. Where did you sit in relation to the
- 3 CEO in your responsibility as with the VP of
- 4 Distribution and Operations? Where did you sit in
- 5 relation to Mr. Hammergren?
- A. Probably best described as not very
- 7 close. But it was several levels, you know, down in
- 8 the organization.
- 9 Q. Would you interact with him? You
- 10 were both in San Francisco; right?
- 11 A. There were occasions that I
- interacted with Mr. Hammergren.
- Q. What committees did you sit on? I
- 14 know that -- we know your title. But were you a part
- of any management committees at McKesson? And I'm
- 16 talking about the '08 period.
- 17 A. Yes. So in that time frame in my
- 18 role, I was part of the -- I will use your term --
- 19 management committee that oversaw -- oversaw the
- 20 pharmaceutical business.
- Q. Okay. So the management committee
- that oversaw the pharmaceutical business. And a
- 23 significant part of McKesson's business was the
- 24 pharmaceutical business, I assume?
- 25 A. Yes.

- Q. And when -- who all was on the
- 2 management committee of pharmaceuticals?
- MS. HENN: Objection to form.
- 4 BY MR. KENNEDY:
- Q. And, again, we're on the 2008 period.
- A. At a -- at a high level, the
- 7 president of U.S. Pharma and then individuals that
- 8 had leadership positions in sales, inventory,
- 9 vendor-manufacturer relationships, HR, and marketing,
- 10 I.T. I mean, sort of --
- 11 Q. Ten members? Twenty members?
- 12 A. My best recollection is about ten.
- Q. And their responsibility was -- was
- 14 what this management committee of U.S. -- this is
- 15 U.S. pharmaceuticals?
- 16 A. Yes. U.S. pharmaceuticals.
- Q. And what was the responsibility of
- 18 this management committee that you sat on?
- A. Again, at a high level, it was really
- to collaborate to provide overall guidance and
- 21 direction. And there was, you know, the normal
- 22 planning/budgeting processes that we went through.
- Q. All right. Let's -- let's go back to
- 24 this meeting, then, that was -- that was held in 2008
- 25 with the Directors of Regulatory.

- If you can go to page -- the Bates in the
- 2 bottom of -4733. Did you run this meeting?
- A. Yes, I did.
- Q. Did you prepare these slide
- 5 presentations?
- A. Looking at it, I don't specifically
- 7 put in the slide presentation. But it was consistent
- 8 with one that I would do.
- 9 Q. All right. Well, let's look, then,
- 10 at this page of the 2008 slide presentation. And
- 11 this is talking about the 2008 Settlement Agreement
- 12 that is reached with the Department of Justice and
- 13 the DEA; correct?
- 14 A. Correct.
- Q. And this is in relation to what we
- 16 have been talking about for the last hour; true?
- 17 A. Yes.
- Q. And does this slide presentation
- 19 state that -- the first -- the first bullet, "Six
- 20 different McKesson facilities involved"; right?
- 21 A. Yes.
- 22 Q. And we went over those six different
- 23 facilities, I think. Florida, Maryland, Texas, Utah;
- 24 correct? Those are the ones we went through?
- 25 A. That's correct.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 128 of 446 PageID # 165490 Highly Confidential # Review

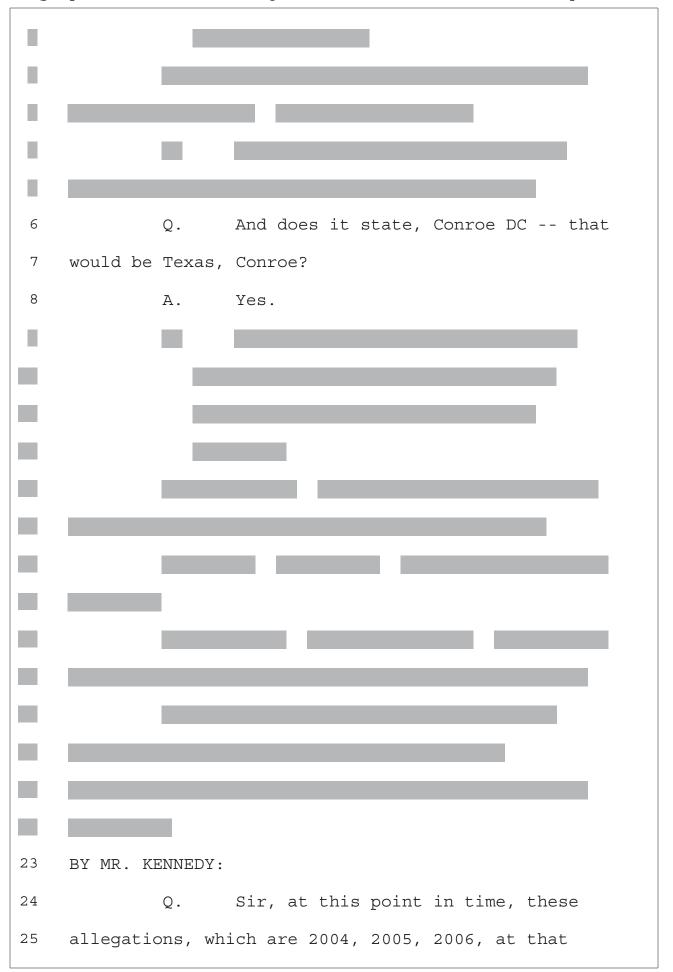


Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 129 of 446 PageID #: 165491 Highly Confidential #: 4 Subject to Further Confidential #: 7 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 130 of 446 PageID # 165492 Highly Confidential # Review





- 1 point in time were the suspicious order monitoring
- policies of McKesson national?
- A. Yes. It was a single system. So the
- 4 answer is, yes.
- 5 Q. So the policies and the procedures
- 6 that led at least to what you considered to be the
- 7 allegations of these extraordinary sales, those
- 8 policies and procedures were the same in Maryland,
- 9 Ohio, West Virginia, Utah, Florida; would that be
- 10 true?
- 11 A. Yes.
- Q. And as the person in charge, sitting
- on the top of this, did you make every effort to make
- 14 sure that the implementation of the policies and
- 15 procedures relating to suspicious order monitoring,
- that they were being implemented uniformly across the
- 17 country?
- MS. HENN: Objection to form.
- THE WITNESS: Yes, we had a system in place
- 20 that was reporting regularly to DEA suspicious
- 21 orders.
- 22 BY MR. KENNEDY:
- Q. So the answer would be, yes, you, as
- the boss, made an effort to make sure that your
- 25 policies with respect to suspicious orders were being

- 1 implemented uniformly across the country; true?
- 2 A. Yes.
- Q. You didn't want somebody doing
- 4 something different in California than they were
- 5 doing in Maryland; did you?
- A. The system was one system. So the
- 7 uniform reporting and report generation was the same
- 8 across the country.
- 9 Q. And would I be correct that you had
- 10 meetings amongst the Directors of Regulatory Affairs
- 11 from different regions, you had meetings and calls to
- 12 make sure that the policies with respect to
- 13 suspicious order monitoring were being implemented
- and used by them uniformly; true?
- 15 MS. HENN: Objection to form. Lacks
- 16 foundation.
- 17 THE WITNESS: Can you clarify the time frame
- 18 you're referring to.
- 19 BY MR. KENNEDY:
- Q. Again, let's -- the entire time that
- 21 you were the head of -- excuse me. You were the head
- of Regulatory. You would have meetings and
- 23 conference calls in an attempt to make sure that your
- 24 policies with respect to suspicious order monitoring
- were being implemented uniformly across the country;

- 1 right?
- A. Generally I would answer that
- question, yes, Counsel. The reason I asked you the
- 4 question about the time frame is at this point this
- was the initial meeting that I had with newly-hired
- 6 directors. So prior to that meeting, they would not
- 7 have been involved in any of the suspicious orders.
- 8 So I want to be accurate in my response to you.
- 9 Q. Okay. But from '08 forward, while
- 10 you were in charge, again, you would have meetings,
- 11 you would have memos, you would have calls in an
- 12 attempt to make sure that your policies were being
- implemented uniformly across the country; true?
- MS. HENN: Objection to form. Compound.
- 15 Lacks foundation.
- THE WITNESS: So subsequent to the 2008
- 17 agreement with the regulatory team, we had regular
- 18 conference calls, regular discussions to ensure that
- 19 we were executing our regulatory responsibilities
- 20 uniformly across the country; so yes.
- 21 BY MR. KENNEDY:
- Q. You don't want Mr. Oriente in the
- 23 East doing something different from Mr. McDonald in
- the West, doing something different than Mr. Gustin
- in the Midwest; true?

- 1 A. Generally that would be accurate.
- MS. HENN: Counsel, we have been going about
- 3 an hour and ten minutes. Take another break.
- 4 MR. KENNEDY: I about to switch to a new
- 5 topic. That's good.
- THE VIDEOGRAPHER: We are going off the
- 7 record. The time is 11:31 a.m.
- 8 (Recess taken.)
- 9 THE VIDEOGRAPHER: We are back on the
- 10 record. The time is 11:49 a.m.
- 11 BY MR. KENNEDY:
- Q. All right. Mr. Walker, it's still
- 13 Eric Kennedy after our break. I know you might be
- 14 disappointed, but it's still me.
- I'm going to switch gears. I want to talk
- about the 2008 CSMP, the Controlled Substances
- 17 Monitoring Program. You remember that program?
- 18 A. Yes.
- 19 Q. That was a program that McKesson
- developed and put into place in 2008; is that true?
- 21 A. Yes, that is correct.



- 1 all right?
- 2 A. That would be fine.
- 3 (Exhibit No. 672 was marked.)
- 4 BY MR. KENNEDY:
- 5 Q. This is the McKesson's 2008
- 6 Controlled Substance Monitoring Program; is it not?
- 7 A. What this document is, is a -- the
- 8 Operations Manual entry and documentation of how to
- 9 execute against the Controlled Substance Monitoring
- 10 Program. That's probably the best way to describe
- 11 it.
- Q. Was there any document that McKesson
- 13 has that is more comprehensive and detailed with
- 14 respect to your suspicious order monitoring system
- than this document from the period of 2008 to, let's
- 16 say, 2014? Any document other than this that is more
- 17 comprehensive?
- 18 A. Probably this would be the most
- 19 comprehensive document.
- MS. HENN: Counsel, just to clarify the
- 21 record. You had referred to this as the 2008
- 22 program, but I see it as a 2013 version. I just want
- 23 to make sure the record is clear on that.
- 24 BY MR. KENNEDY:
- 25 O. Okay. This is the revised version

- 1 that comes into play in 2008; correct? The original
- version is 2008?
- 3 A. Just a moment, Counsel.
- 4 MR. KENNEDY: I was -- this is when it's
- 5 printed, 2013. When it's printed.
- 6 MS. HENN: If you look on one of the last
- 7 pages, it will show you the revisions history.
- 8 MR. KENNEDY: All right.
- 9 MS. HENN: And the last revision I see is
- 10 from 11-29-2013.
- MR. KENNEDY: All right.
- MS. HENN: Sorry. March 20th, 2013.
- 13 BY MR. KENNEDY:
- Q. And this program came into place, as
- 15 I said before, in 2008; did it not?
- 16 A. That is correct.
- Q. And it was revised various times, as
- we have seen, up through '13; correct?
- 19 A. Yes.
- Q. And if I make reference to something
- 21 here in my questioning that wasn't in existence in
- 22 2008, you will let me know; all right?
- MS. HENN: Objection to form.
- 24 THE WITNESS: I will let you know.
- 25 ///

1	BY MR. KENNEDY:	
2	Q.	All right. So this is the program
3	that comes into	place, the Controlled Substances
4	Monitoring Prog	ram, in 2008; would that be correct?
5	A.	Yes. This is the Controlled
6	Substance Monitoring Program overview that we would	
7	put in our Oper	ations Manual.
8	Q.	And we were talking about this
9	threshold syste	m. And do you see where it says,
10	"Purpose"?	
11	Α.	Yes.
	-	
	-	
	-	

```
5
              MR. KENNEDY: We will take a look.
                         (Exhibit No. 755 was marked.)
 6
 7
    BY MR. KENNEDY:
 8
              Ο.
                     Showing you Exhibit 755, Bates
     -409289 to -299. Is this the Settlement and Release
10
    Agreement and Administrative Memorandum and Agreement
11
    between McKesson and the Department of Justice and
12
     the DEA?
13
                     I understand this to be that, yes.
14
              Q.
                     And if you will go to Attachment 6,
15
    or Bates No. -298 down at the bottom. Do you see --
16
    under the -291, is what we're looking for.
17
              And, again, you were a signatory on this
18
                 Thank you. Is that correct?
     agreement?
19
                     Yes, I was.
              Α.
20
                     And -291, on Bates -291, if you will
     go to that. And do you see the section, "Obligations
21
22
     of McKesson"?
23
              You might want to look at the first four
             "Obligations of McKesson." And these are the
24
25
     obligations under the agreement that McKesson agreed
```

```
to with the Department of Justice and DEA; right?
 1
 2.
              Does it state:
 3
                  (Reading) McKesson agrees to maintain
                 a compliance program designed to
 4
 5
                 detect and prevent diversion of
                 controlled substances as required
 6
 7
                 under the CSA and applicable DEA
 8
                 regulations. This program shall
                 include procedures to review orders
 9
                 for controlled substances. Orders
10
11
                 that exceed established thresholds and
12
                 criteria will be reviewed by a
13
                 McKesson employee (end of reading).
14
              Do you see that?
15
              Α.
                     Yes.
16
              Ο.
                     So the agreement with the DEA
    mentions thresholds; correct?
17
18
              Α.
                     Yes.
25
                     And it states that you're going to
              Q.
```

make informed decisions at McKesson based upon these 1 established thresholds; true? That's what your 3 program states? MS. HENN: You're referring to Exhibit 672? 4 5 MR. KENNEDY: Yeah, I'm talking about the program. We're not talking about the --6 7 MS. HENN: It's a different exhibit. 8 THE WITNESS: Okay. Okay. Can you 9 repeat --10 BY MR. KENNEDY: 11 Yes, my question is --Q. 12 Α. I'm sorry. I was still --13 -- your agreement with the DEA talked Q. about thresholds; true? 14 15 Α. Correct.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 143 of 446 PageID #: 165505 Highly Confidential #: 1805-05 Further Confidential #: Review



8 Q. All right. And McKesson -- if we look at this program and how it's divided up, there 10 were basically two different groups of customers. 11 One, the big chain pharmacies, the RNAs, the regional 12 national accounts; correct? 13 That's one large customer group. 14 Q. And the other major customer group 15 that's defined in your monitoring program were the 16 ISMCs, or the independent small, medium chains; 17 correct? 18 That was also included. Α. But that 19 wasn't the totality of every registrant that we 20 provided controlled substance to. So the two groups 21 that you mentioned in addition to that, would be what 22 we called our hospital or MHS group. So these were 23 hospitals, institutions, surgery centers. And then probably the fourth big category was the federal 24 25 government.

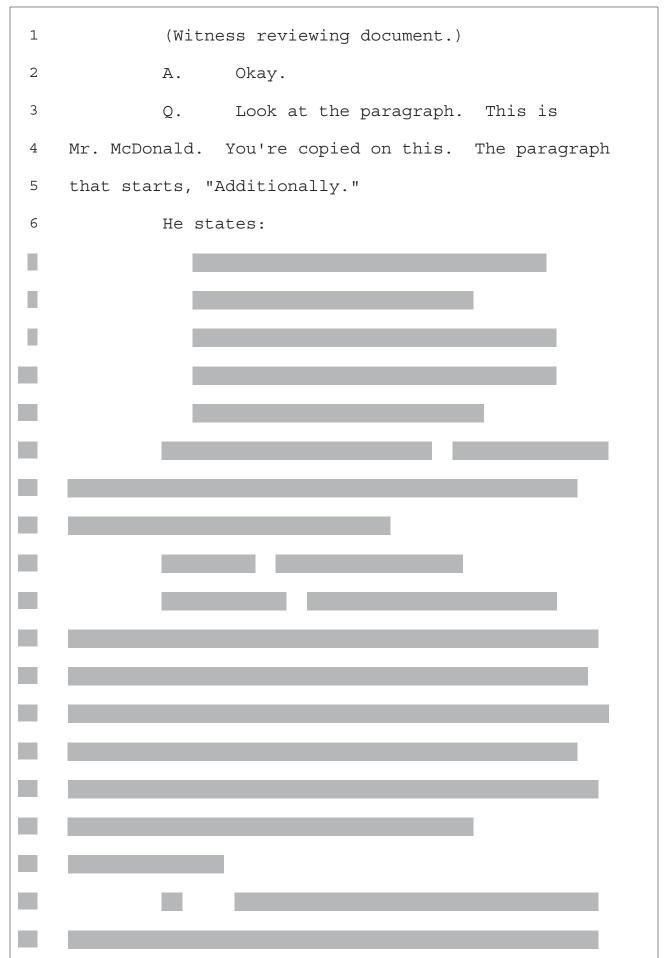
All right. I'm going to talk about 1 Q. the two. I want to talk about the big chain 2 pharmacies, the RNAs; all right? And I want to talk 3 about the smaller chains, the independents and the 4 smalls; all right? 5 6 Α. Yes.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 146.of 446 PageID #: 165508 Highly Confidential #: 1805-05 Further Confidential #: Review



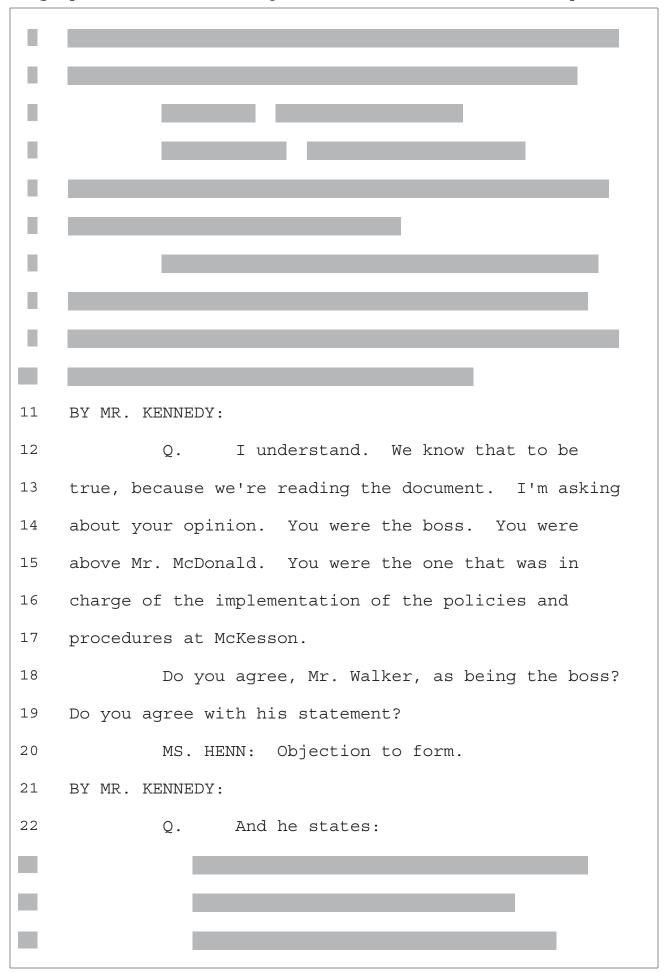
- 3 (Exhibit No. 676 was marked.) 4 BY MR. KENNEDY: 5 Let me show you Exhibit -- you Q. were -- you don't think that's accurate, but you 6 7 were -- you were the boss at this point in time in 8 '08; correct? 9 Α. Yes. 10 I'm going to show you Exhibit 676. 11 And that's Bates -542108 to -110. 12 This is an email from Tom McDonald. Do you 13 see that? The first page. 14 Α. Yes. 15 And who was Tom McDonald in this time Ο. 16 period of 12 -- or excuse me, 2012? Who was he? 17 Α. Tom McDonald was the Director of 18 Regulatory Affairs for the Western part of the 19 United States. 20 And so he was, what, one of four directors; true? Or one of five at that point? 21 22 I don't recall specifically whether we had four or six at the time. But one of four or 23 24 six.
- Q. And he's sending an email to an

- 1 extraordinarily large group of people. Can you --
- 2 are you able to kind of look through that and say
- 3 this is -- who this group is?
- A. Based on the names here, this is a
- 5 combination of our sales and operations teams in the
- 6 West Region.
- 7 Q. And you're copied on this; right?
- 8 Donald Walker, CC.
- 9 A. Yes, I am.
- 10 Q. So you would have gotten this; right?
- 11 A. Yes.
- 12 Q. Subject, "Ongoing due diligence, new
- 13 questionnaires and dispensing data." Do you see
- 14 that?
- 15 A. Yes.
- Q. It says high -- importance is high;
- 17 right?
- 18 A. Yes.
- 19 Q. Look to the next page, if you would,
- 20 -109, all the way toward the bottom, the paragraph
- 21 that starts with, "Additionally."
- 22 A. Can I have a moment just to review
- the rest of the document?
- 24 Q. Sure.
- 25 A. I'm not --



8 BY MR. KENNEDY: And tell the jury, dispensing data 9 Ο. from a pharmacy, what is that? 10 11 Α. The data that a pharmacy may or may 12 not provide was data around the quantities of a given 13 pharmaceutical or medicine that they would dispense. 14 So it was a summary document. So dispensing data is going to tell 15 Ο. 16 McKesson how much the CVS store on Main Street, how 17 much Oxycontin they are selling; right? That's what 18 it would tell McKesson; correct? 19 I can't answer that accurately, 20 Counsel, because your example of a CVS store would 21 not be an example of that. 22 All right. Okay. Take CVS out. Ο. 23 I'm trying to answer you accurately. Α. 24 Let's talk about an independent 0. pharmacy on Main Street. They provide you with 25

dispensing data. It's going to tell McKesson how 1 much Oxycontin that they are selling, actually 2. dispensing, filling prescriptions and dispensing; 3 that's what dispensing data is? 4 5 MS. HENN: Objection to form. Dispensing data should 6 THE WITNESS: 7 represent that, yes. 8 BY MR. KENNEDY: 9 So Mr. McDonald, head of the Western Q. Region, in this email he says: 10



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 153 of 446 PageID #: 165515 Highly Confidential #: 1805 Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 154 of 446 PageID #: 165516 Highly Confidential #: 1805 Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 155 of 446 PageID #: 165517 Highly Confidential #: 1805 Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 156.of 446 PageID #: 165518 Highly Confidential #: 1805 Further Confidential #: Review

7 And he's in charge -- Mr. McDonald is in charge of the Western Region. How many states did 8 that include? What states? 9 If there were just four of the DRAs 10 at the time, he would have had the western states, 11 12 and from Colorado, north to Wyoming, south to Arizona -- I can't remember -- New Mexico west. 13 California? 14 Q. California. 15 Α. 16 Ο. Arizona? 17 Α. California, Arizona, Oregon, 18 Washington, Colorado, New Mexico. 19 He's in charge of thousands of Ο. 20 pharmacies, thousands of customers; is he not? 21 Α. There -- there were a lot of 22 pharmacies in the west.

6 BY MR. KENNEDY: 7 All right. We will look at documents in a minute. But I'm going to write that down. 8 All right. 10 So I wrote dispensing -- I wrote your name, Mr. Walker, "Dispensing data does not include cash 11 12 payment information." Is that your -- is that your 13 testimony? 14 MS. HENN: Objection to form. 15 THE WITNESS: That was not my testimony. 16 What I said is your question statement was not 17 accurate. 18 BY MR. KENNEDY: 19 If you get dispensing data from a 20 pharmacy, you're going to be able to see cash 21 payments; are you not, sir? 22 Not necessarily. 23 In many instances will you be able to Ο. see that, sir? 24

If -- if the pharmacist chooses to

Α.

25

- 1 enter a cash payment in their pharmacy terminal
- 2 system where this data originates, then, yes, it will
- 3 show up.
- 4 Q. All right.
- 5 A. If he chooses not to do that, it
- 6 won't show up.
- 7 Q. All right. And so you're getting
- 8 dispensing data. And if the pharmacist is putting
- 9 cash payments in, all right, you're going to be able
- 10 to see cash payments -- correct? -- from what you
- 11 just said, if the pharmacist is entering it; true?
- MS. HENN: Objection to form.
- 13 BY MR. KENNEDY:
- 14 O. True?
- 15 A. If the pharmacist enters it into the
- 16 pharmacy terminal system, we would see that.
- Q. And a certain percentage of cash
- 18 payments for opioids for narcotics is evidence of
- 19 diversion; is it not?
- MS. HENN: Objection to form.
- THE WITNESS: The DEA identified cash
- 22 payment percentage as a potential indicator.
- 23 BY MR. KENNEDY:
- Q. All right. And if you get dispensing
- data, as indicated in this memo, it's going to tell

- 1 you who the prescribing doctors are; is it not?
- MS. HENN: Objection to form.
- THE WITNESS: If the data is complete, we
- 4 would see the doctors -- generally see the doctors in
- 5 the dispensing data.
- 6 BY MR. KENNEDY:
- 7 Q. And that would allow McKesson to
- 8 determine whether a small group of doctors is
- 9 prescribing a large amount of opioids; correct? You
- 10 would be able to do that if you had the dispensing
- 11 data; true?
- MS. HENN: Objection to form.
- THE WITNESS: I'm not sure I can answer that
- 14 accurately. Generally, if the physicians are in
- there and the data was complete, not -- our challenge
- 16 was, is the data wasn't always complete. So I'm
- 17 reluctant to say that that is accurate.
- 18 BY MR. KENNEDY:
- 19 Q. If you have accurate prescribing
- 20 data, McKesson would be able to determine whether a
- 21 small group of doctors is ordering a large percentage
- of the opioids from that pharmacy; correct? You're
- able to do that?
- A. If the data was accurate, yes.
- Q. And the DEA told you back in '06 that

- 1 that's one of the things that you should look for;
- 2 true? Back in '06 they told you?
- MS. HENN: Objection to form. Lacks
- 4 foundation.
- 5 THE WITNESS: Repeat your question, Counsel.
- 6 BY MR. KENNEDY:
- 7 Q. And the DEA told you back in 2006
- 8 that's one of the things you should look for, a small
- 9 number of doctors ordering a large percent of the
- 10 opioids from a pharmacy? That's one of the things
- 11 you should look for?
- 12 A. My recollection of the document, the
- documents state that is one of the areas that they
- 14 outlined.
- Q. And if you had the doctor's name from
- 16 the prescribing -- or the prescribing data, you
- 17 could -- McKesson could research as to whether or not
- 18 this physician was having problems with any medical
- 19 board; couldn't you?
- MS. HENN: Objection to form.
- 21 BY MR. KENNEDY:
- 22 O. If you had that data?
- A. I believe, Counsel -- I didn't
- 24 specifically make any type of inquiries myself, but
- 25 my understanding was, is that we -- you had the

- 1 ability to identify any doctors if, in fact, there
- 2 was documentation on state medical board sites.
- Q. And if you got the dispensing data,
- 5 you can now actually see if a pharmacy is purchasing
- 6 opioids from other distributors, other than just
- 7 McKesson; correct?
- MS. HENN: Objection to form. Lacks
- 9 foundation.
- THE WITNESS: I don't recall that we had the
- ability or felt we had the ability to determine
- 12 multiple distribution -- distributors supplying a
- 13 pharmacy through dispensing data.
- 14 BY MR. KENNEDY:
- 15 Q. Let me ask you this. If the
- 16 dispensing data says that a particular pharmacy is
- dispensing, selling 1,000 Oxycontins in a month, and
- 18 your records say you're selling them only 500, then
- 19 you can reasonably conclude that they are getting
- 20 Oxycontins from somebody other than just McKesson;
- 21 right?
- MS. HENN: Objection. Calls for
- 23 speculation.
- THE WITNESS: Counsel, there are so many
- variables in pharmacy behavior, in terms of inventory

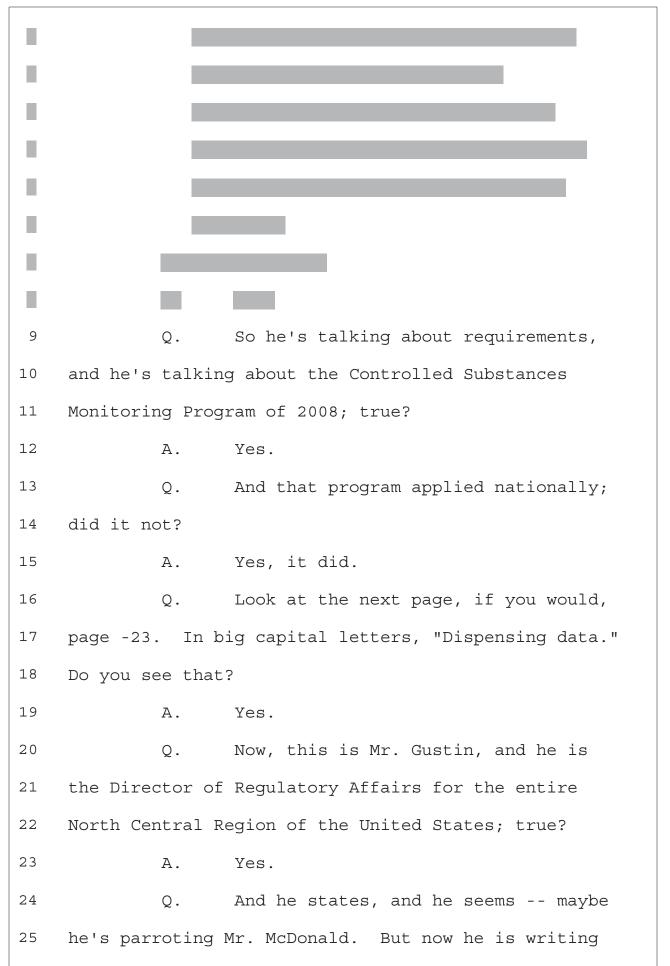
- 1 management, again, it's very difficult for me to
- 2 answer accurately whether that could take place.
- 3 BY MR. KENNEDY:
- Q. If you have the dispensing data,
- 5 McKesson would be able to determine the percentage of
- 6 controlled substances against total prescriptions?
- 7 They would be able to calculate that, wouldn't they?
- 8 MS. HENN: Objection. Lack of foundation.
- 9 Speculation.
- 10 THE WITNESS: Counsel, I'm having a
- 11 difficult time answering the question. I think it's
- 12 an oversimplification of analysis of the value of
- 13 this dispensing data.
- 14 As I stated, it was a very valuable tool to
- us, but it was a single tool. We had other data
- 16 points that we needed to understand.
- 17 BY MR. KENNEDY:
- 18 Q. Isn't that exactly one of the things
- 19 that the DEA told McKesson in 2006 you ought to be
- looking to, the percentage of controlled substances
- that a pharmacy was selling against its total
- 22 prescription sales? Isn't that one of the specific
- items that DEA informed you in 2006 you should be
- looking at?
- MS. HENN: Objection. Lack of foundation.

```
BY MR. KENNEDY:
 1
 2.
              Q.
                   Correct?
 3
                     My recollection, was that the
              Α.
 4
    percentage of controlled substance sales were a point
 5
    of indication.
              MR. KENNEDY: All right. So we've got
 6
     look to another region, all right? Let's look to
 9
10
     Exhibit 680.
11
                          (Exhibit No. 680 was marked.)
12
              MS. HENN:
                         Thank you.
13
    BY MR. KENNEDY:
14
              Ο.
                     Exhibit 680 is -492821 to -492823.
     This is an email from Dave Gustin; correct?
15
16
              Α.
                     Yes.
17
                     Tell the jury who Dave Gustin was?
              Q.
18
              Α.
                     Dave Gustin was the Director of
19
    Regulatory Affairs, DRA, for the Central Region.
20
                     And the Central Region, how many
              Q.
     states are in the Central Region?
21
22
                     I don't know specifically the number
23
    of states going from memory here, but it's basically
    the Midwest, stretching down into Kentucky. So Iowa,
24
```

Nebraska, Minnesota, Illinois, Indiana.

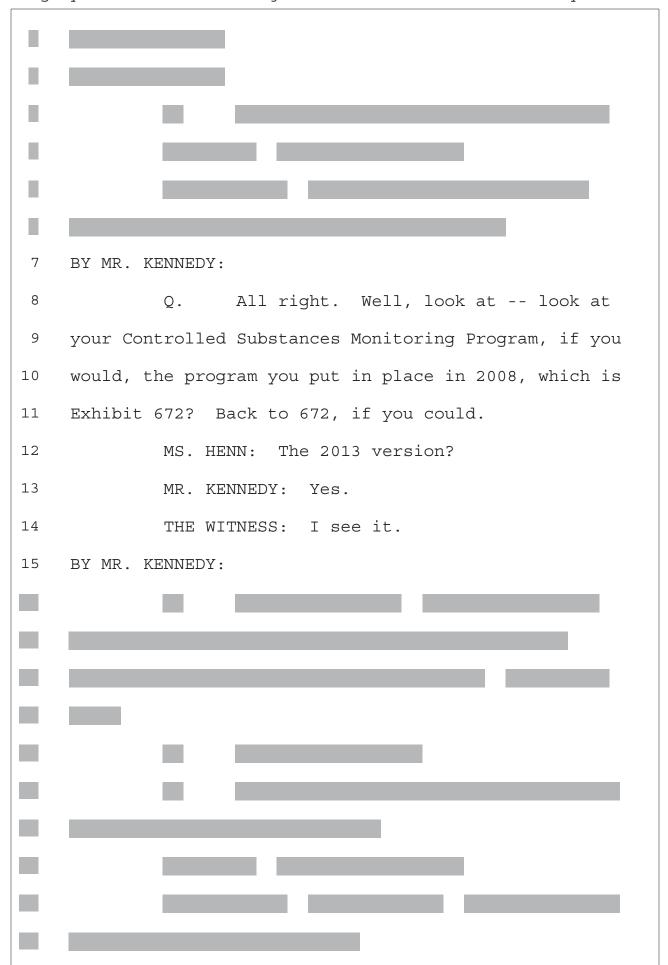
25

- Q. Well, between Mr. McDonald now and
- 2 Mr. Gustin, they probably account for more than half
- of the country; would that be right?
- 4 A. Certainly half the geography.
- 5 Q. Thousands of pharmacies; right?
- 6 A. There would be a large number of
- 7 pharmacies in that area.
- Q. And Mr. Gustin -- now, this is
- 9 1-16-12. This is about the same time of McDonald's
- 10 email talking about dispensing data. And can you
- 11 tell us who's this large group of people that he
- seems to be sending this email to?
- 13 A. This appears to be the North Central
- 14 Region Sales and Operations teams.
- 15 Q. Look at the next page, if you would.
- 16 See on the next page, a January 5, 2012, email from
- 17 Dave Gustin?
- 18 A. Yes.
- 19 Q. Another large group of people?
- A. Yes.
- Q. In the first paragraph does he state:



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 167 of 446 PageID #: 165529 Highly Confidential #: 1805-29 Further Confidential #: 1805-29 Review





1	BY MR. KENNEDY:
2	Q. Let's go back, then, if we could, to
3	Exhibit 680. This is Mr. Gustin, from the North
4	Central Region; correct?
5	A. Yes.
6	Q. And he's writing his region. And if
7	we look to bullet point 2, he states:

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 170 of 446 PageID #: 165532 Filed: 07/23/19 170 of 446 PageID #: 165532 Review

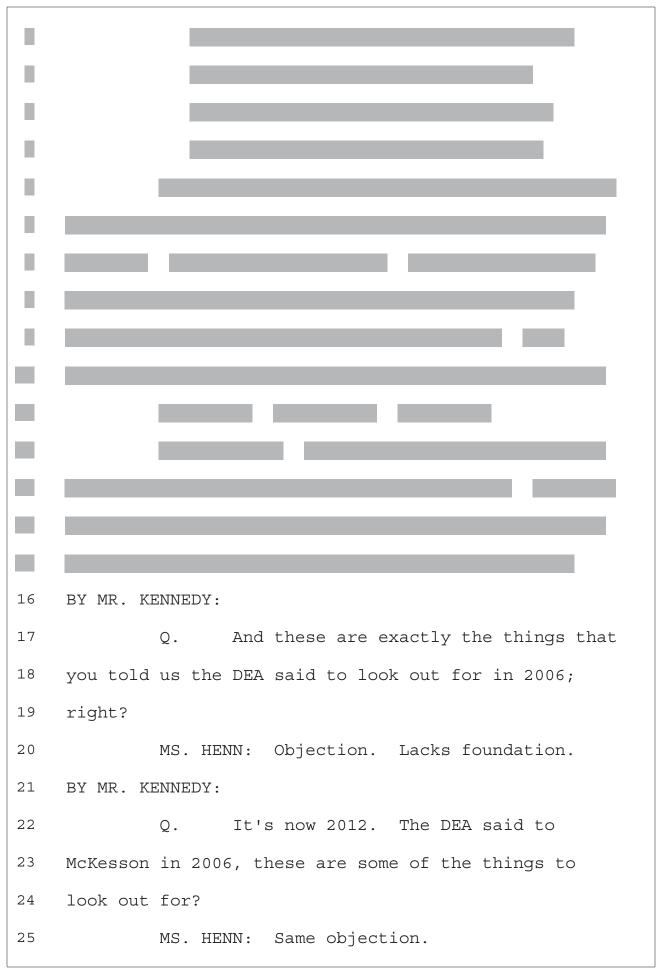




```
1
                          (Exhibit No. 681 was marked.)
 2.
    BY MR. KENNEDY:
 3
              Ο.
                     Showing you what has been marked as
     Exhibit 681, which is -490953 to -54. Now, this is
 4
7
     we have an email by Joe Lumpkin.
 8
              Who was Joe Lumpkin?
                     Joe Lumpkin was one of two of our
 9
              Α.
10
    DRAs that we assigned to the Northeast Region.
11
                     And, now, on November 30, 2012, he
              Q.
12
     sends an email to a large group of people; does he
13
    not?
14
              Α.
                     Yes.
15
                     And he says, "Northeast Team," right,
              Ο.
16
     at the beginning?
17
              Α.
                     Yes.
18
                     And he says, "As of December 1,
              Q.
19
    please be aware it is required for any ISMC" -- and
20
     that would be the independent small, medium chains;
21
     right?
22
              Α.
                     Yes.
23
              Q.
                     He says:
```

Case: 1:17-md-02804-DAP Doc.#: 1964-53 Filed: 07/23/19 173.of 446. PageID #: 165535 Highly Confidential Ty Review





- 1 BY MR. KENNEDY:
- 2 O. Correct?
- A. I'm not -- I'm not sure I understand
- 4 your question, Counsel. The DEA outlined the items
- 5 such as this in 2006, that is correct.
- Q. And my point is, sir, it's six years
- 7 later -- it's 2012 -- and the entire Eastern Region
- is saying, as of December 1, 2012, six years after
- 9 these have been outlined by the DEA, we're going to
- 10 start doing this; correct?
- MS. HENN: Objection. Mischaracterizes the
- 12 document. Lack of foundation.
- 13 THE WITNESS: I wouldn't agree with that
- 14 statement. We had a number of tools we used
- 15 throughout the time that we executed CSMP.
- 16 BY MR. KENNEDY:
- 17 Q. Sir, other than the dispensing data,
- where are you going to get the names of the doctors
- 19 prescribing medications? Where are you getting the
- 20 names?
- MS. HENN: Objection to form.
- 22 BY MR. KENNEDY:
- O. Tell us.
- A. I'm not aware of all the potential
- 25 sources, but -- that we could get for, you know,

- 1 doctors prescribing.
- Q. Other than the dispensing data, where
- are you going to find out what's getting paid for in
- 4 cash, sir? Like the DEA said six years earlier you
- 5 ought to look for, where are you going to find that
- 6 information without the dispensing data?
- 7 MS. HENN: Objection to form. Calls for
- 8 speculation.
- 9 THE WITNESS: I really don't know. I
- 10 mean --
- 11 BY MR. KENNEDY:
- 12 Q. Tell me, how are you going to run
- 13 percentages of controlled substances at a particular
- 14 pharmacy versus total prescriptions without
- dispensing data, sir? Tell me that. Where are you
- 16 going to get it?
- MS. HENN: Objection to form.
- 18 THE WITNESS: Again, I would -- I would
- 19 speculate. But I would like to clarify that DEA's
- 20 quidance in 2006 was percentage of sales of
- 21 controlled substances to total pharmacy sales.
- 22 BY MR. KENNEDY:
- Q. And where are you going to get that
- information other than dispensing data?
- 25 A. We would have that information from a

```
sales standpoint.
 1
                    Your sales standpoint, not the total
 2.
              Q.
    sales; correct? Your sales --
 3
             MS. HENN: Objection. Calls for
 4
 5
    speculation.
    BY MR. KENNEDY:
 6
 7
              O. -- but not the total sales of a
 8
    pharmacy; true?
 9
              MS. HENN: Calls for speculation.
10
              THE WITNESS: Again, we -- we could look at
11
    the sales record as a percentage of sales to a given
12
    pharmacy.
13
    BY MR. KENNEDY:
                     McKesson's data, not the pharmacy's;
14
              Q.
    true?
15
16
             MS. HENN: Objection to form.
17
    BY MR. KENNEDY:
18
              Q.
                True?
19
              Α.
                     This was McKesson's data.
20
              Q.
                     Right. You can't do it for the
21
    pharmacy because you don't know how many different
22
    folks they are buying from; right?
23
              MS. HENN: Objection to form. Calls for
24
    speculation.
25
    ///
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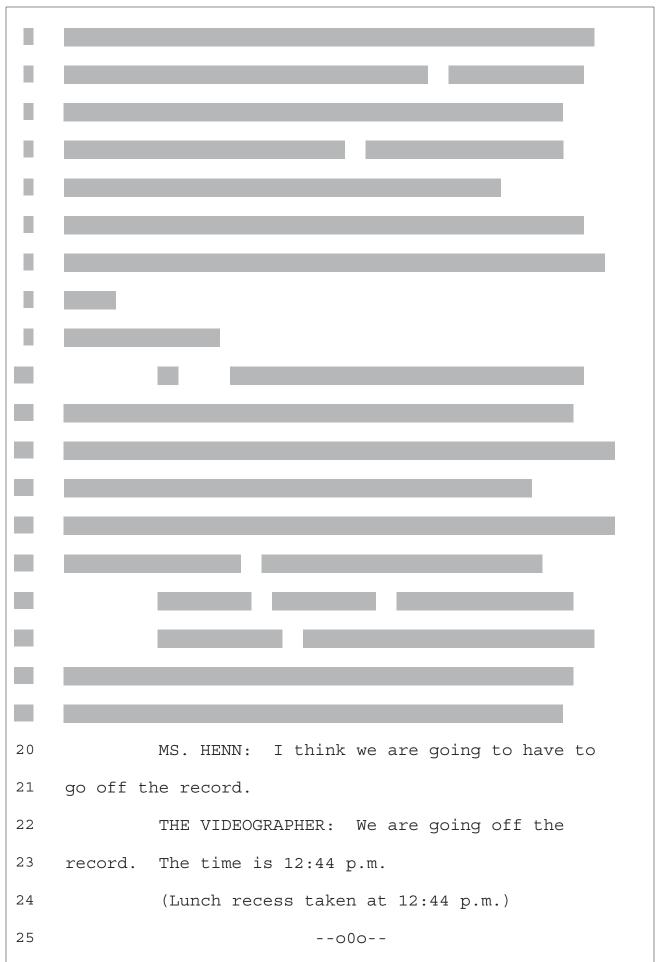
1 BY MR. KENNEDY: Correct? 2. Q. 3 Again, I don't know that I can answer Α. because there's a number of different tools that we 4 5 could use to understand if a pharmacy was just our customer. 6 7 Tell me where in 2012, without the Q. dispensing data, you can find out the total amount of 8 oxycodone being sold by a particular pharmacy? Tell 9 10 me. MS. HENN: Objection to form. Calls for 11 12 speculation. 13 THE WITNESS: I don't know. 14 BY MR. KENNEDY:

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 179 of 446 PageID #: 165541 Highly Confidential #: 1805 Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 180 of 446 PageID #: 165542 Highly Confidential #: 1800 Ject to Further Confidential #: Review



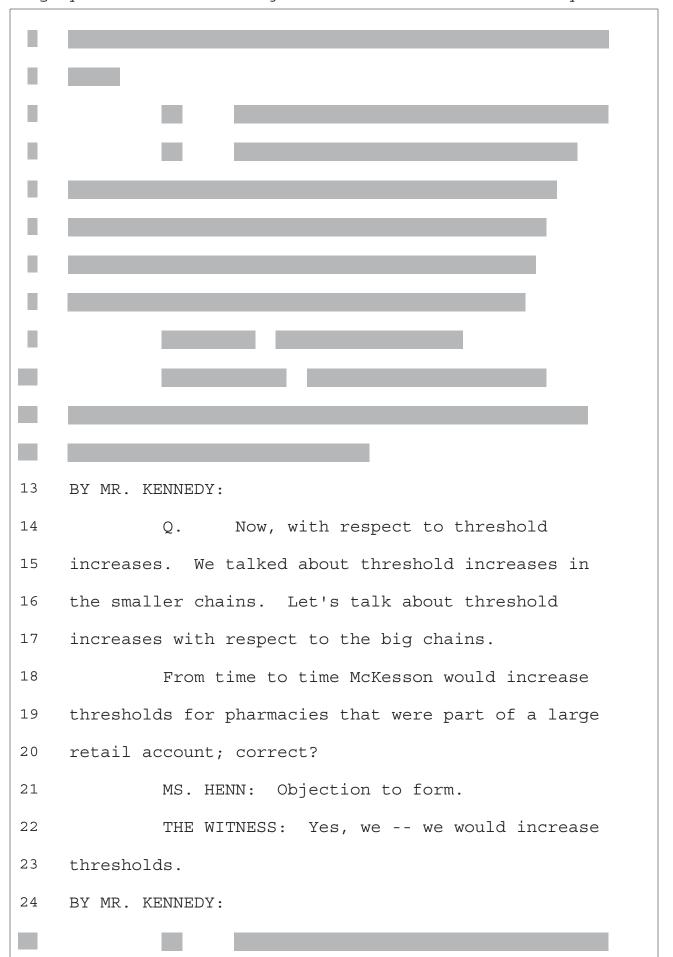


AFTERNOON SESSION 1:19 P.M. 1 2. --000--3 THE VIDEOGRAPHER: We are back on the record. The time is 1:19 p.m. 4 5 BY MR. KENNEDY: All right. Mr. Walker, we've talked 6 0. 7 a bit about the independents, the small, medium, the 8 smaller chains. I want to switch gears now and talk to you about what McKesson called the RNAs, or the 10 regional national accounts; all right? 11 Α. Yes. You're familiar with RNA, regional 12 Ο. national account terminology? 13 14 Α. The -- yes, I am. The correct 15 terminology is retail national account. 16 Ο. I'm sorry. Those would be the big chains? 17 18 Α. Big chains. 19 The CVS, the Walgreens, the Walmarts, Q. 20 the Rite Aids; correct? 21 That size chain, yes. Α. 22 Those are big customers; we agree? Ο. 23 The big chains were big customers to McKesson? 24 Α. Yes. 25 Probably over a billion dollars worth Q.

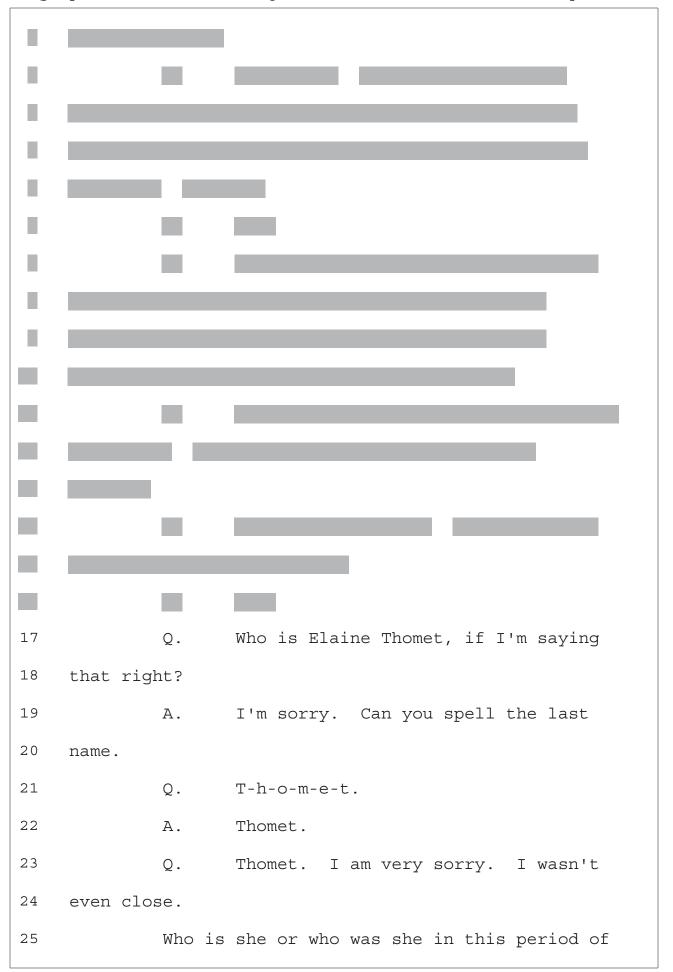
- 1 of business with big -- big national pharmacies?
- MS. HENN: Objection. Lacks foundation.
- THE WITNESS: I don't recall the specific
- 4 sales volume, but they are large -- they were large
- 5 customers.
- 6 BY MR. KENNEDY:
- 7 Q. I mean, would you disagree if I were
- 8 to say that probably the majority of McKesson's
- 9 controlled substance sales were being made to the big
- 10 retail national accounts?
- MS. HENN: Objection to form. Lacks
- 12 foundation.
- 13 THE WITNESS: I actually cannot say because
- 14 it would be speculative, just due to the business
- models of particularly some of the hospital accounts.
- 16 BY MR. KENNEDY:
- 17 Q. All right. Anyway, the big national
- 18 accounts made up 16,000-plus individual pharmacies;
- 19 does that sound right?
- MS. HENN: Objection to form.
- THE WITNESS: I don't recall specifically
- the number of pharmacies that were involved in that
- 23 segment.
- 24 BY MR. KENNEDY:

Case: 1:17md-02804-PAP Doc#: 1964.53 Elled: 07/23/19 184.0f 446 Pagel P#: 165546 ew





Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 186.of 446 PageID #: 165548 Highly Confidential #: 1864-53 Filed: 07/23/19 186.of 446 PageID #: 165548 Review



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1 '08 to, let's say, '14, 2014?
```

- A. My recollection is Elaine and her
- 3 responsibilities during that time frame, she worked
- 4 in our retail national account support team. She was
- 5 a -- as I understood it -- I don't remember her
- 6 title -- was primarily a liaison, you know, from the
- 7 retail national account support team into operations
- 8 and others.
- 9 Q. Okay. She would liaison into
- 10 regulatory?
- 11 A. On occasion, I believe that's
- 12 correct.
- MR. KENNEDY: Let's look at Exhibit 677.
- 14 (Exhibit No. 677 was marked.)
- 15 MR. KENNEDY: And that is Bates -52132 to
- 16 -375.
- 17 Q. I want to look at an email, the top
- 18 email on the first page, -72.
- 19 A. I haven't seen this document before.
- 20 Could I just --
- 21 Q. Sure.
- 22 A. -- have a moment to familiarize
- 23 myself?
- Q. Please.
- 25 A. Thank you.

```
1
              (Witness reviewing document.)
 2.
              Α.
                     Okay.
                     If you want to look -- look to page
 3
              Q.
 4
           That would be the third page in.
 5
              And you remember, we've had a discussion
 6
     about dispensing data and whether or not that was
 7
     required for an increase in a drug threshold for the
 8
     smaller independent accounts. Do you recall that
     discussion we had? Correct?
10
                     I'm sorry. Repeat your question.
11
              Ο.
                     We've -- we've had a discussion --
12
     I've asked you about the requirement for dispensing
13
     data in -- when increasing the threshold of an
14
     independent or smaller chain. You recall that
     discussion?
15
16
              Α.
                     Yes.
17
              MS. HENN: Objection to form.
18
    BY MR. KENNEDY:
19
                     So I want to have that discussion now
20
    with respect to the regional national accounts.
21
              If you look to page -74, down at the bottom,
    you will see a November 1, 2012, email, it looks like
22
23
     from Perry Anderson, where it says:
```

(Reading) Hi, Dan, quick question.

See Frank's email below regarding CSMP

24

25

```
1
                 threshold adjustments (end of
 2.
                 reading).
 3
              That's Controlled Substance Monitoring
     Program; right?
 4
 5
              Α.
                     Yes.
                     And they are asking about threshold
 6
 7
     adjustments. And he says, "Is it common -- common
 8
    practice in RNA" -- that would be the big chains;
     right? Right? RNA?
10
              Α.
                     Yes.
11
              Q.
                     (Reading) Is it common practice
12
                 in RNA to change thresholds without
13
                 asking for this similar backup, or is
14
                 it more or less done by RNA support
                 team behind the scenes for RNA
15
16
                 accounts (end of reading)?
17
              Now, go back to -74. And here seems to be
18
     the response. Dan Jeffries responds:
19
                 (Reading) We do -- we adjust at the
20
                 request of the customer, but we don't
21
                 ask for dispense data (end of
22
                 reading).
23
              Do you see that?
24
              Α.
                     Yes.
25
                     He's talking about the regional
              Q.
```

```
national accounts. Was that the policy -- and it's
 1
     2012 -- that with respect to increases in the
     thresholds for pharmacies that were a part of the big
 3
 4
     chains, you did not ask for dispensing data?
 5
              MS. HENN: Objection to form.
              THE WITNESS: Generally we did not ask for
 6
 7
     any dispensing data from our retail national account
 8
    pharmacies.
    BY MR. KENNEDY:
10
                     Go to page -72, the first page.
11
     this is an email from Elaine Thomet on 11-2-12. And
12
     she says:
13
                 (Reading) If it helps, I will add some
14
                 clarification. What Frank may not
15
                 understand is that with RNA, the big
16
                 accounts, we are able to establish the
17
                 regulatory relationship with their
18
                 headquarters and not at store level
19
                 (end of reading).
20
              Now, that's what we were talking about. You
    were addressing the headquarters as opposed to the
21
22
     individual stores when it came to the big national
23
     accounts; true?
24
                     We used the headquarters.
              Α.
25
              Q.
                     She then says:
```

1	(Reading) After their thresholds have
2	been initially set up, based on their
3	required usage data or historical
4	data, if they were a customer back
5	when we implemented the CSMP, then any
6	time they exceed their threshold, we
7	review it and working with their
8	headquarters and our regulatory team,
9	determine if the store should be
10	allowed an increase. If the HQs
11	agreed, then the presumption is made
12	that they have done their due
13	diligence. It also means that we are
14	not talking to the direct purchaser
15	that's the individual pharmacy but,
16	rather, a representative from
17	headquarters, preferably in Regulatory
18	Loss Prevention, Asset Control,
19	et cetera (end of reading).
20	Do you see that?
21	A. Yes.
22	Q. And was that basically then the
23	practice? If headquarters said a threshold increase
24	is okay, there was at least in the words of
25	Ms. Thomet, there was a presumption that the

- 1 headquarters of the national chain had done their due
- 2 diligence -- had done their due diligence; is that
- 3 correct?
- A. It is -- it is correct that we
- 5 utilized the retail national chains' headquarters
- 6 regulatory and oversight groups to assist us in
- 7 ensuring that any threshold increases were
- 8 appropriate.
- 9 Q. And you would assume that they did
- 10 their due diligence when saying a threshold increase
- is okay, according to -- at least to Elaine Thomet?
- 12 A. Based -- based on our discussions
- 13 with headquarters and understanding what their
- internal procedures were and how they conducted
- oversight of their pharmacies, yes.
- 16 Q. No prescribing data was required to
- 17 grant a threshold increase for the pharmacy at a
- 18 large chain; correct? We just went through that.
- 19 True?
- 20 A. No.
- MS. HENN: Objection to form.
- 22 BY MR. KENNEDY:
- Q. And so McKesson, when increasing the
- threshold of a pharmacy at a large chain, had no
- 25 direct knowledge of the physicians who were writing

```
1 the prescriptions at the pharmacies for the large
```

- 2 national accounts; true?
- A. That is -- that is correct.
- 4 Q. You weren't able to check to see if
- 5 any of these physicians had an issue with a medical
- 6 board in the large national chains, correct, because
- 7 you didn't have their identity? Couldn't do that;
- 8 true?
- 9 MS. HENN: Objection to form. Calls for
- 10 speculation.
- 11 BY MR. KENNEDY:
- 12 Q. Correct?
- 13 A. It is probably more accurate to state
- 14 that we did not have the detail of their -- of their
- prescriptions and the items that would be included in
- 16 that prescription data.
- 17 Q. All right. And that would include
- 18 the identity of the doctor; correct?
- 19 A. Presumably, yes.
- Q. It would include the data that would
- 21 allow you to accurately run percentages on controlled
- 22 purchases versus non-controlled purchases; correct?
- MS. HENN: Objection to form.
- THE WITNESS: We wouldn't have that ability.
- 25 ///

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 195 of 446 PageID #: 165557 Highly Confidential #: 1805 Further Confidential #: Review

7	Q. And the DEA had informed McKesson,
8	had they not, that a list of pain clinics were a big
9	problem in our country? They had told you that; had
10	they not?
11	MS. HENN: Objection to form. Lacks
12	foundation.
13	THE WITNESS: In a prior meeting and some
14	communications, the DEA identified pain clinics.
15	MR. KENNEDY: Let me show you Exhibit 752.
16	(Exhibit No. 752 was marked.)
17	MR. KENNEDY: 752 is Bates -498169 to -183.
18	Q. This is an email from you; is it not?
19	A. Yes.
20	Q. Dated May 2nd, 2012; is that right?
21	A. Yes.
22	Q. And it looks like you're sending it
23	out to a variety of the Directors of Regulatory
24	Affairs and folks in somewhat management positions as
25	it relates to Regulatory Affairs; right?

1 MS. HENN: Counsel, let me just ask the 2 videographer, could you please close the door. Thank 3 you. 4 Could you go ahead and repeat that. I'm 5 sorry. MR. KENNEDY: Yes. 6 7 This email is being sent out by you in 2012, it looks like, to the DRAs, the Directors of 8 Regulatory Affairs, and -- maybe just Directors of 9 10 Regulatory Affairs; right? 11 Α. It appears to be restricted to the 12 regulatory team. 13 And if you want to look at -174. 14 And, again, this is something -- is this a slide, sir, that you would have prepared? 15 16 Α. Yes. 17 And at -174, in your slide show, "How Ο. 18 the DEA sees it." Does it state:

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 198 of 446 PageID #: 165560 Highly Confidential #: 1805-60 Further Confidential #: Review



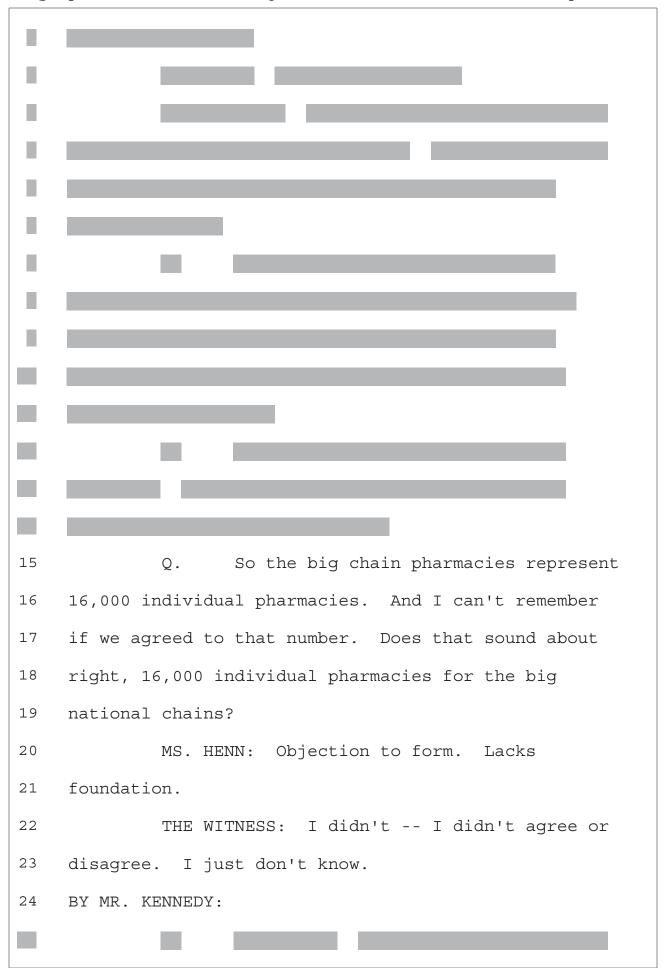
Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 199 of 446 PageID #: 165561 Highly Confidential #: 4 Subject to Further Confidential #: 7 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 200 of 446 PageID #: 165562 Review

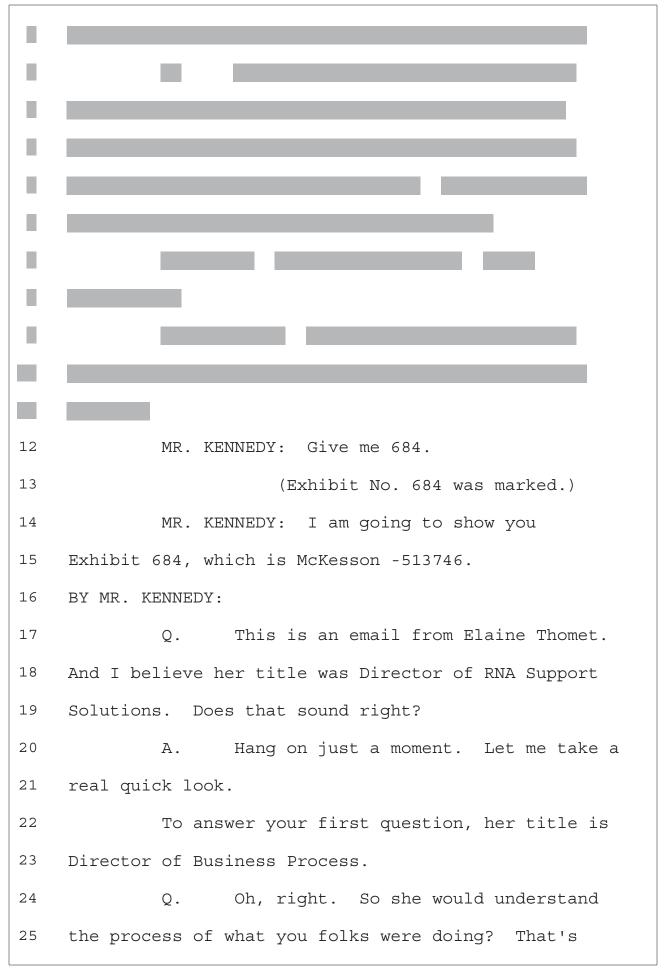


6	MS. HENN: Objection. Asked and answered.
7	BY MR. KENNEDY:
8	Q. Is that your slide?
9	A. This is this is a slide that I
10	created.
_	



10 BY MR. KENNEDY: Well, let me ask, did McKesson ever 11 Ο. 12 think that -- let's say, for example, did they ever 13 think that CVS would report themselves to the DEA? 14 Α. I'm not sure I understand that 15 question. 16 Did McKesson ever believe that CVS, 17 for example, CVS headquarters, would report one of 18 their own pharmacies to the DEA? 19 I can't answer the question. I 20 don't -- I don't know. 21 I mean, did CVS ever sit there and Q. 22 say, well, we think that CVS headquarters will 23 contact the DEA and tell them we have a pharmacy in West Virginia that is violating the law, and we think 24 25 you should close them down? Do you think that they

1	would ever do that?
2	MS. HENN: Objection to form. Calls for
3	speculation.
4	THE WITNESS: Again, I can't answer what CVS
5	would or would not do with information that they
6	received.
7	BY MR. KENNEDY:





Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 207 of 446 PageID #: 165569 Highly Confidential #: 1805 Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 208 of 446 PageID #: 165570 Highly Confidential #: 1805 Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 209 of 446 PageID #: 165571 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 210 of 446 PageID #: 165572 Highly Confidential #: 1805 Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 211 of 446 PageID #: 165573 Filed: 07/23/19 PageID #: 165773 Filed: 07/23/19 PageID #: 16

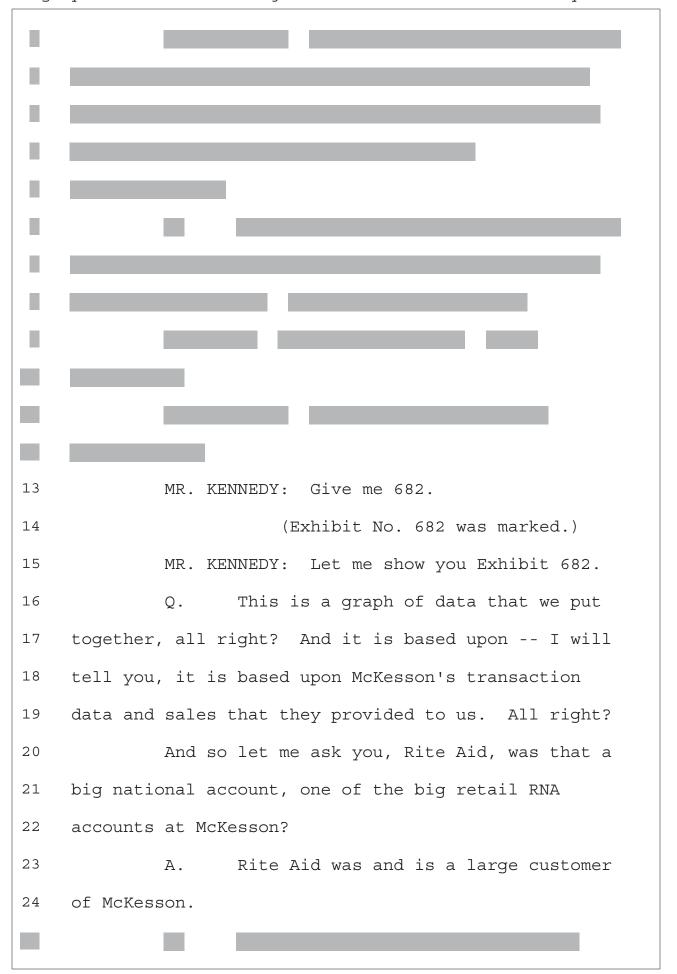




1 Ο. Do you remember this document? 2. Α. Yes, I do. 3 And this is a PowerPoint that was put Q. together for presentation to the DEA; true? 4 5 Α. The date of this document is -- and my understanding of this document, based on the date 6 7 here, is that it was a document that we put together for a review with various DEA field offices and DEA. 8 Did you prepare this? 9 Q. 10 Α. I prepared the original, yes. 11 Go to page -302, if you would. Q. 12 where it says, "Level 1 Review"? 13 Α. Yes. 14 Q. That's what we've been talking about with respect to the large chain pharmacies; right? 15 16 Α. Yes.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 214 of 446 PageID #: 165576 Highly Confidential #: 1805 Further Confidential #: Review





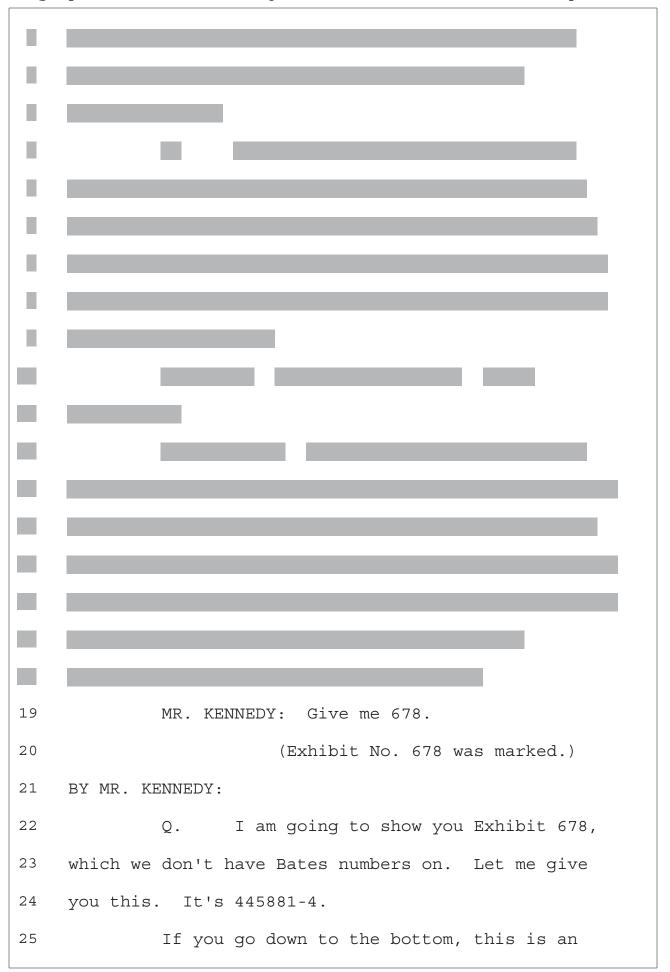
Case: 1:17-md-02804-DAP Doc.#: 1964-53 Filed: 07/23/19 216 of 446 PageID #: 165578 Review



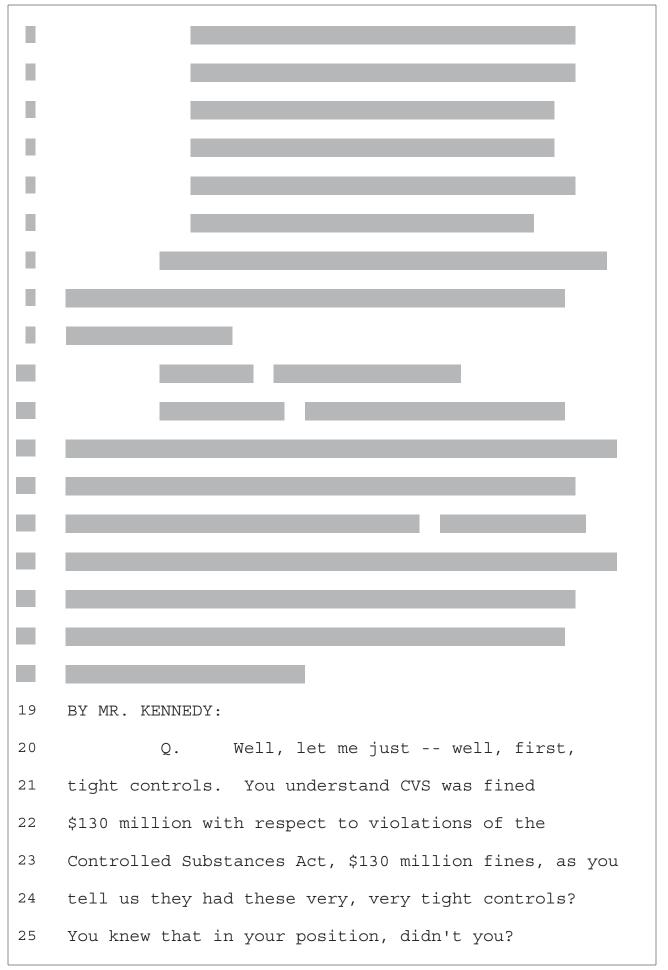
Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 217 of 446 PageID #: 165579 Highly Confidential #: 1805 Further Confidential #: Review



3	MS. HENN: And, Counsel, I will just note
4	for the record that this data is all produced highly
5	confidential, and this should be marked when you
6	create exhibits with that information.
7	So we will ask that the court reporter mark
8	this 682 as highly confidential.
9	BY MR. KENNEDY:



email by Elaine Thomet again, July 17, 2014. I want 1 to see if you agree with this. Do you see the second 3 page? 4 Α. Hang on just a moment. Let me just 5 take a quick look. 6 Okay. Counsel, you directed me to the 7 second page? 8 Q. Yes. Look at the second page, the big letters. I mean, you just looked at it. She 9 is -- she's talking about setting up informational 10 phone calls; is she not? 11 12 Α. Yes.



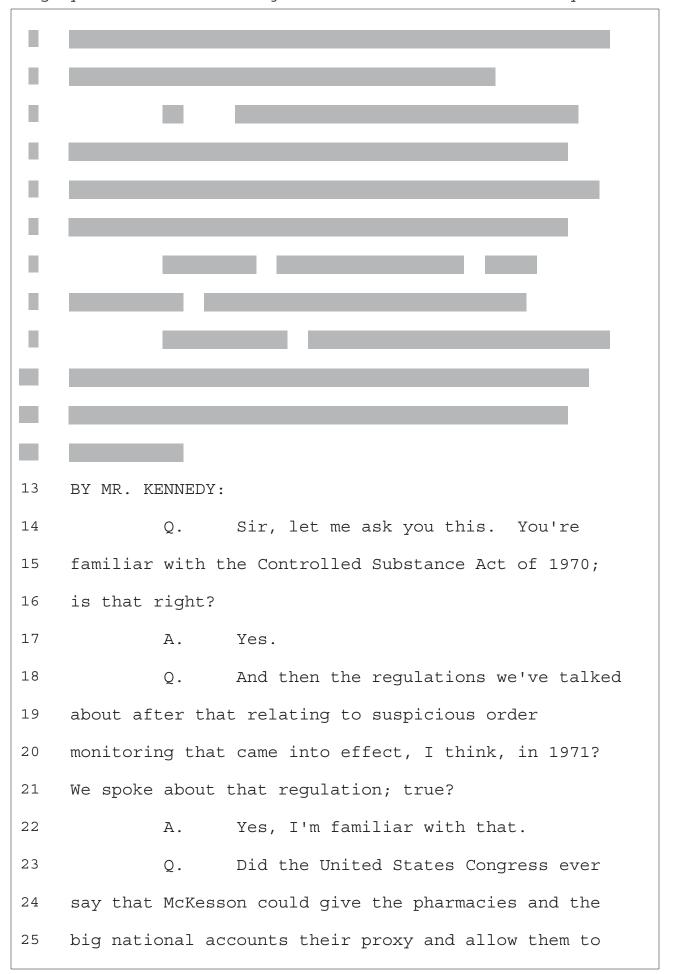
MS. HENN: Objection to form. Lacks 1 foundation. 3 BY MR. KENNEDY: You knew that; did you not? 4 5 I was aware CVS had paid some penalties. I don't recall the amount nor do I recall 7 the events or the issues. 13 And proxy means you are giving Q. someone else authority to act for you; is that what 14 it means? 15 MS. HENN: Objection to form. Calls for 16 17 speculation. THE WITNESS: Generally, I would understand 18 that. 19 20 BY MR. KENNEDY:



```
for this educational webinar?
 1
             MS. HENN: Objection to form.
 2.
 3
    BY MR. KENNEDY:
                 Is that right?
 4
             Ο.
             MS. HENN: Mischaracterizes the document.
 5
    BY MR. KENNEDY:
 7
             Q.
                 2014?
             Α.
                    The document is dated in 2014.
 8
                    And it's eight years after the DEA
19
             Q.
20
    told McKesson this is what diversion looks like;
21
    right? Eight years?
             MS. HENN: Objection to form. Lacks
22
    foundation.
23
24
    BY MR. KENNEDY:
                Eight years, sir?
25
             Q.
```

1 MS. HENN: Mischaracterizes the document. 2. THE WITNESS: I think better -- a better 3 characterization there is that it was eight years after DEA identified issues with Internet pharmacies. 4 5 They didn't reveal all of this -- these issues. And, frankly, as we evolved our program and 6 7 gained additional information and additional 8 knowledge and ability to utilize data, we expanded our enforcement and -- well, not enforcement, but our 9 10 oversight effort in every way that we could. BY MR. KENNEDY: 11 23 BY MR. KENNEDY: 24 And it took you eight years? 25 MS. HENN: Same objection.

1 BY MR. KENNEDY: 2. Q. Eight years to modify your program 3 after being told by the DEA this is important information to have in identifying suspicious orders 4 5 and diversion; correct? 6 Objection. Lacks foundation. MS. HENN: 7 Mischaracterizes the documents. BY MR. KENNEDY: 8 Is that right, sir, eight years to 9 Q. develop it? 10 It is eight years between 2006 and 11 Α. 12 But it is not correct that DEA identified all 13 the issues and all the information that we have 14 discussed in terms of prescription data. And during that time frame, prescription data resources and 15 16 capabilities increased significantly with technology.



monitor themselves? Did Congress ever state that? 1 MS. HENN: Objection to form. Calls for 2 speculation. 3 THE WITNESS: Ask the question again, 4 Counsel. I'm not sure I understand what you're 5 asking. 6 7 BY MR. KENNEDY: /// 25

- 1 BY MR. KENNEDY:
- Q. Sir, a pharmacy is not a distributor;
- 3 correct?
- 4 MS. HENN: Objection to form.
- 5 BY MR. KENNEDY:
- Q. With respect to what we're talking
- 7 about, some of the pharmacies would distribute to
- 8 themselves. But outside of that, what we're talking
- 9 about is, let's say, pharmacies that are not
- 10 self-warehousing, they have a duty and a
- 11 responsibility under the law as a pharmacy; correct?
- MS. HENN: Objection to form.
- 13 BY MR. KENNEDY:
- 14 Q. Is that right?
- MS. HENN: Lacks foundation.
- THE WITNESS: I'm not familiar with pharmacy
- 17 legal requirements. I understand distributor.
- 18 BY MR. KENNEDY:
- 19 Q. All right. But didn't you just tell
- us you, as a distributor, were relying upon the
- 21 pharmacy and what they were required to do under the
- 22 law?
- MS. HENN: Same objections.
- 24 BY MR. KENNEDY:
- Q. And now you don't know what their

- 1 requirements are?
- 2 A. What I was answering was the chains
- 3 that we're discussing were self-warehousing chains
- 4 and had a distributor registration as well as a
- 5 pharmacy registration.
- . ____

- 16 BY MR. KENNEDY:
- 17 Q. You understand that the
- 18 responsibilities under the law for a pharmacy to
- 19 prevent a diversion is different than the
- 20 responsibilities under the law of a distributor?
- 21 They are different; correct?
- 22 A. I don't understand specifically the
- 23 regulations associated with pharmacy. I've never
- 24 reviewed them. But generally I understand that they
- 25 are different.

- Q. Right. And the way Congress set this
- 2 up, because they did not want a crisis, is they gave
- 3 responsibilities to the distributors, and they gave a
- 4 separate responsibility to the pharmacies, a belt and
- 5 a suspenders? It wasn't one or the other. Congress
- 6 wanted both to have responsibilities to prevent the
- 7 diversion of dangerous drugs into the communities;
- 8 right? A separate set of responsibilities for each;
- 9 correct?
- MS. HENN: Objection to form.
- 11 THE WITNESS: Again, I -- I don't know what
- 12 Congress's intent necessarily was. I understand the
- 13 regulation.
- 14 BY MR. KENNEDY:
- Q. And you understand the regulation
- 16 gave a responsibility and a set of responsibilities
- 17 to the two different entities? Distributors, you've
- 18 got your jobs, and pharmacies, you have your job;
- 19 correct?
- 20 A. I understand the distributor
- 21 responsibilities.
- Q. Nowhere did it ever say that if the
- 23 pharmacy has responsibility, us as distributors, we
- 24 don't have any responsibility to prevent diversion?
- That has never been stated anywhere; correct?

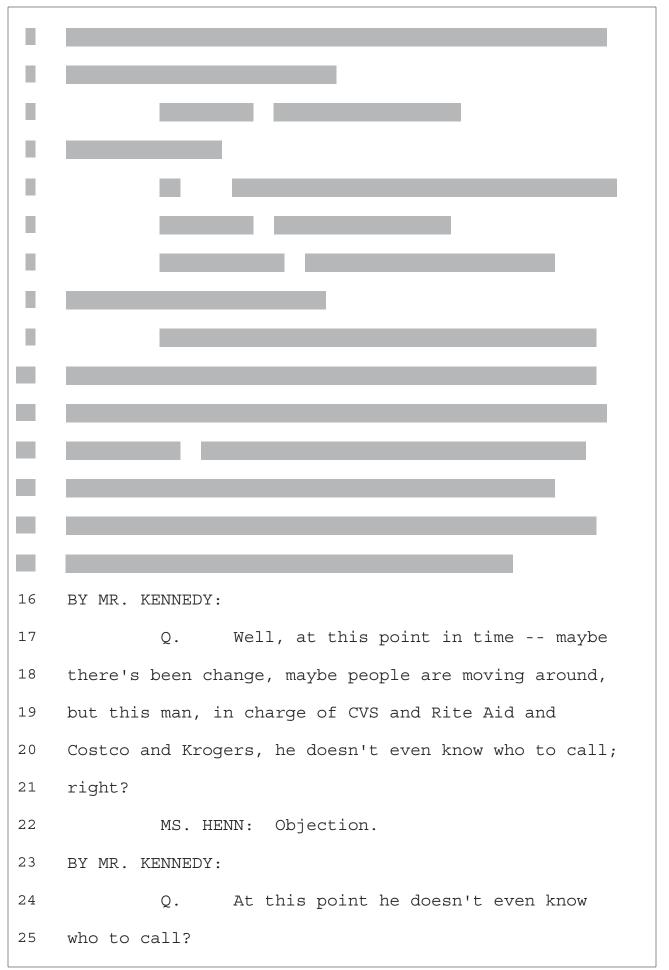
- 1 MS. HENN: Objection to form.
- THE WITNESS: Again, I -- the regulations
- 3 are very clear what our responsibilities are.
- 4 MS. HENN: Counsel, is this another good
- 5 time for a break? It's been an hour.
- 6 MR. KENNEDY: Give me five minutes.
- 7 MS. HENN: Are you comfortable going five
- 8 minutes?
- 9 THE WITNESS: That's fine.
- MR. KENNEDY: Let me show you Exhibit 674,
- 11 if I could.
- MS. HENN: Thank you.
- 13 (Exhibit No. 674 was marked.)
- 14 BY MR. KENNEDY:
- 15 O. This is Bates -507218 to -507220.
- 16 This is an email from Michael Oriente, if you look at
- 17 the top. Who is Michael Oriente?
- 18 A. Michael Oriente was -- was and is the
- 19 Director of Regulatory Affairs for the East Region --
- 20 Northeast Region.
- Q. So a big responsibility. He's one of
- 22 four/six people; correct?
- A. Yes, at that point in time.
- Q. And at this point in time, he is also
- responsible for managing and monitoring some of the

large national chains; true? 1 2. Α. Yes. 3 And this is April of 2011. And does Ο. he state, "Dave" -- and he's sending an email to Dave 4 5 Gustin, who is another Regulatory Affairs person; right? He's in the Midwest; right? 6 7 Α. Yes. 8 He also has some responsibility for Q. these big national chains; right? 10 Α. Yes. 11 Q. And does he state, "Dave, can you ask 12 RNA" -- and that's the regional national account 13 portion of McKesson; right? 14 Α. Yes.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 234 of 446 PageID #: 165596 Highly Confidential #: 165596 Further Confidential #: 7 Review



5 And do you know he was responsible Q. for CVS for a certain portion of time; did you know 7 that? 8 I don't recall. Α. He was in charge of Rite Aid for a 9 Q. 10 certain portion of time; do you know that? I do recall he had responsibility for 11 Α. Rite Aid. 12 13 Kroger's? Q. 14 Α. Again, I don't remember all the ones that he had. 15 16 Ο. Costco; do you remember that? MS. HENN: Objection to form. Lacks 17 18 foundation. 19 THE WITNESS: Again, I don't -- I don't 20 recall specifically. 21 BY MR. KENNEDY:



MS. HENN: Objection to form. Lacks 1 foundation. BY MR. KENNEDY: 3 Isn't that what this is saying at 4 this moment in time? 5 No, that's not accurate. I don't 6 7 believe that this is that at all. I think he is ensuring that he has right information. 8 BY MR. KENNEDY:

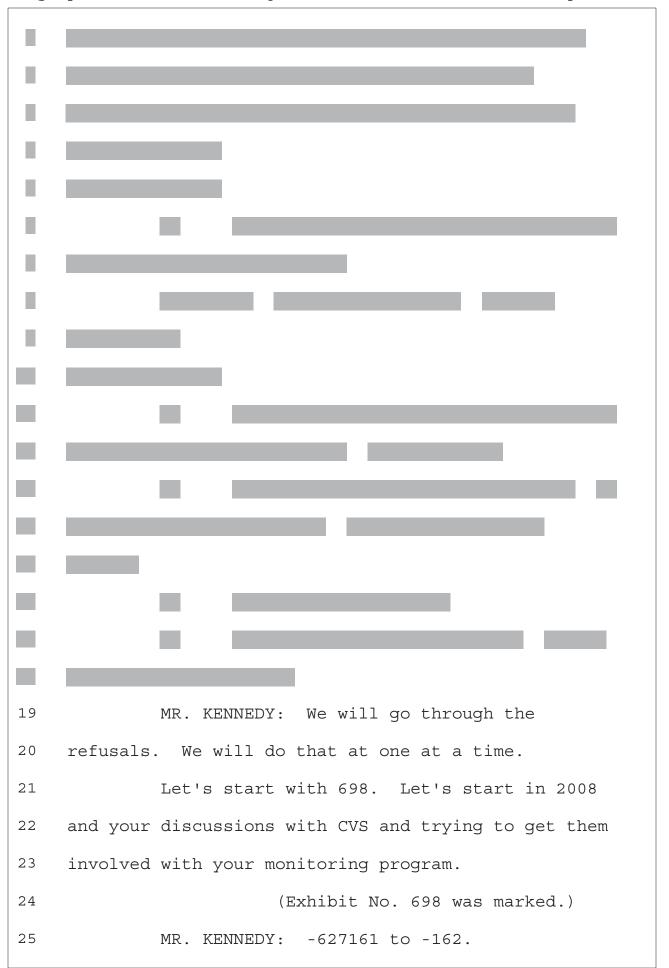
1	
1	
1	
1	
1	
1	
1	
9	Q. Well, not so much interaction that
10	Mr. Oriente even knows who to call; right?
11	MS. HENN: Objection to form.
12	THE WITNESS: Again, I think it's simply, as
13	I read this and understand the question, is more of
14	an update and clarification of who the contact people
15	are.
16	MS. HENN: Go off the record.
17	THE VIDEOGRAPHER: We are going off the
18	record. The time is 2:29 p.m.
19	(Recess taken.)
20	THE VIDEOGRAPHER: We are back on the
21	record. The time is 2:46 p.m.
22	BY MR. KENNEDY:
23	Q. Mr. Walker, we have been talking
24	about the large national
25	THE VIDEOGRAPHER: Sorry, Counsel, your

- 1 microphone.
- MR. KENNEDY: Oh, yeah.
- Q. All right. Let me start all over.
- 4 Mr. Walker, we have been talking about the large
- 5 national accounts, and I want to talk specifically
- 6 about CVS; all right?
- 7 A. Okay.
- Q. CVS was a large national account;
- 9 were they not?
- 10 A. CVS is a large national retail chain.
- 11 Q. More than that, CVS, certainly while
- 12 you were at McKesson, was -- they were McKesson's
- largest customer; were they not?
- MS. HENN: Objection to form. Lacks
- 15 foundation.
- 16 THE WITNESS: I don't recall specifically
- 17 where they were. They were a large customer, but we
- were not the sole supplier. So I don't know exactly
- 19 what their position was in our business.
- 20 BY MR. KENNEDY:
- Q. Well, you know that in the 2010,
- 22 2012, 2014 era, they were a customer purchasing in
- 23 excess of \$10 billion --
- MS. HENN: Objection to form. Lacks
- 25 foundation.

1	BY MR. KENNEDY:
2	Q from McKesson? Did you know that?
3	\$10 billion?
4	A. I don't have any specific knowledge
5	of what their sales volume was then.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 241 of 446 PageID #: 165603 Highly Confidential #: 1800 Ject to Further Confidential #: Review





```
1
              THE WITNESS: Can I have a minute to review.
 2
     I just --
 3
              MR. KENNEDY: Please. Please.
              THE WITNESS: -- haven't seen the document
 4
 5
    before.
              (Witness reviewing document.)
 6
 7
              THE WITNESS: Okay.
 8
    BY MR. KENNEDY:
 9
                     All right. Let's start at the
            That's the first email in time. This is
10
     from Michael Oriente, an email; correct?
11
12
              Α.
                     Yes.
13
                     And he was one of the Directors of
14
    Regulatory Affairs, who at that time was monitoring
     the CVS stores; would that be accurate?
15
16
                     I believe that's correct.
17
                     And it's April 24, 2008. This is
              Q.
18
    about the time that you're beginning the
     implementation of the monitoring program at McKesson;
19
20
     true?
21
              Α.
                     Yes, we were implementing.
22
              Q.
                     And this is an email to you; right?
23
                     It's addressed to me.
              Α.
24
                     And he is recapping a call with CVS
              Q.
     on that day; right?
25
```

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 244 of 446 PageID #: 165606 Highly Confidential #: 1800 Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 245 of 446 PageID # 165607 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 246.of 446 PageID #: 165608 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 247 of 446 PageID #: 165609 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 248 of 446 PageID #: 165610 Highly Confidential #: 165610 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 249 of 446 PageID #: 165611 Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 250 of 446 PageID #: 165612 Review





charge of all the regulatory during this period, were 1 you not, 2010, 2011, and 2012? You were in charge --3 Yes. Α. 4 Q. -- correct? 24 MR. KENNEDY: We were talking about CVS, I believe, in April of '08. Let's go four months 25

```
later, in July of '08.
 1
 2.
              THE REPORTER: What number is that?
              MR. ASQUITH: 699.
 3
                          (Exhibit No. 699 was marked.)
 4
 5
    BY MR. KENNEDY:
                     I'm going to ask you about page -70?
 6
              Q.
 7
              MS. URQUHART: Could we get a Bates number?
 8
              MR. KENNEDY: -627168 to -172.
 9
              Q.
                     On page -170 --
10
              Α.
                     Can you just -- I haven't seen this
     document. I am not familiar with it at all.
11
12
              Q.
                     Okay. All right.
13
              (Witness reviewing document.)
14
              Α.
                     Okay.
                     Go to page -170, please. Do you see
15
              Q.
16
     there, there is an email from Mr. Oriente, dated
17
     July 22, 2008. And this email is to you; correct?
18
              Α.
                     Yes.
19
                     And you're responsible for Regulatory
              Q.
20
     at that point in time; are you not?
21
                     Yes, I'm still responsible for
              Α.
22
    Regulatory.
23
                     And it says:
              Q.
```

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 254 of 446 PageID #: 165616 Highly Confidential #: 1800 Ject to Further Confidential #: Review



7 Well, let me ask you this. What do Ο. 8 you think Viper was monitoring? Was it monitoring controlled substances? 9 10 MS. HENN: Objection. Calls for 11 speculation. 12 BY MR. KENNEDY: 13 Or you just don't have any idea? Ο. 14 Α. I can't speculate, because I just 15 don't know. 16 Well, this whole email is about the 17 Controlled Substances Monitoring Program; isn't it? 18 Α. Yes, it is. 19 And it says that CVS has got a Q. 20 monitoring program. Do you think they are monitoring 21 something other than controlled substances? 22 Again, I don't have any -- any 23 specific knowledge or -- other than to speculate that 24 that's about controlled substances. 25 So you think that they're talking Q.

- 1 about monitoring toothbrushes?
- MS. HENN: Objection to form. Asked and
- 3 answered. Calls for speculation.
- 4 THE WITNESS: Counsel, I'm trying to be
- 5 clear that I did not and do not understand what Viper
- 6 monitored, and, therefore, I can't answer your
- 7 question specifically whether it did or did not
- 8 include anything other than controlled substances or
- 9 whether -- you know, what it oversaw.
- 10 BY MR. KENNEDY:
- Q. Well, let me -- this is an email to
- 12 you. You're in charge of Regulatory, which relates
- 13 to controlled substances; right?
- 14 A. Yes.
- 15 Q. The topic -- or the subject of the
- 16 email is your Controlled Substances Monitoring
- 17 Program; correct? Correct?
- 18 A. Yes.
- 19 Q. They are talking about thresholds and
- 20 Threshold Change Requests relating to controlled
- 21 substances; are they not?
- 22 A. Yes.
- Q. Right? They are talking about
- 24 thresholds in relationship to controlled substances;
- 25 are they not?

- 1 A. The discussion is around thresholds
- 2 and controlled substances.
- Q. And so where it says they have a
- 4 monitoring program at CVS, isn't it real easy to
- 5 conclude that they are talking about monitoring of
- 6 controlled substances when you read this?
- 7 MS. HENN: Objection to form. Asked and
- 8 answered. Calls for speculation. Guess.
- 9 THE WITNESS: Counsel, I am trying to
- 10 testify to that which I know. I do not know exactly
- 11 what Viper monitored.
- 12 BY MR. KENNEDY:
- Q. All right. And you can't put all of
- 14 the content of this email together and conclude that
- 15 Viper is monitoring controlled substances? You can't
- 16 do that; is that what you're telling us? Under your
- oath, on the record, you can't put all that together
- 18 from this email that you received?
- 19 MS. HENN: Objection to form. Asked and
- 20 answered. Calling for speculation.
- THE WITNESS: Very clearly, I can only
- 22 testify to that which I absolutely know.
- 23 BY MR. KENNEDY:

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 258 of 446 PageID #: 165620 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 259 of 446 PageID #: 165621 Highly Confidential #: 4 Subject to Further Confidential #: 7 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 260 of 446 PageID #: 165622 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 261 of 446 PageID #: 165623 Further Confidential ty Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 262 of 446 PageID #: 165624 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 263 of 446 PageID #: 165625 Highly Confidential #: 1800 Ject to Further Confidential #: Review

```
5
              MR. KENNEDY: Mark this, please.
              THE REPORTER: 803.
 6
 7
                          (Exhibit No. 803 was marked.)
 8
              MR. KENNEDY: I show you Exhibit 700.
                          (Exhibit No. 700 was marked.)
 9
10
    BY MR. KENNEDY:
11
                 I show you Exhibit 700, which is
              Ο.
12
     -555948 to -950.
13
              (Witness reviewing document.)
14
              Q.
                     You get an email from Elaine Thomet,
    August 26, '08. We're still talking about CVS, and
15
16
     it is -- you are copied on this email; are you not?
17
              Α.
                     Yes, I am.
18
                     And it says:
              Q.
19
                 (Reading) Team, here's the recap from
20
                 our meeting with Don this morning (end
21
                 of reading).
22
              And Don is you; right?
23
              Α.
                     Yes.
24
                     And it says:
              Q.
```

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 265 of 446 PageID #: 165627 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 266 of 446 PageID#: 165628 Highly Confidential#: Property Review



Case: 1:17-md-02804-DAP Doc.#: 1964-53 Filed: 07/23/19 267 of 446. PageID #: 165629 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 268 of 446 PageID #: 165630 Highly Confidential #: 1800 Ject to Further Confidential #: Review

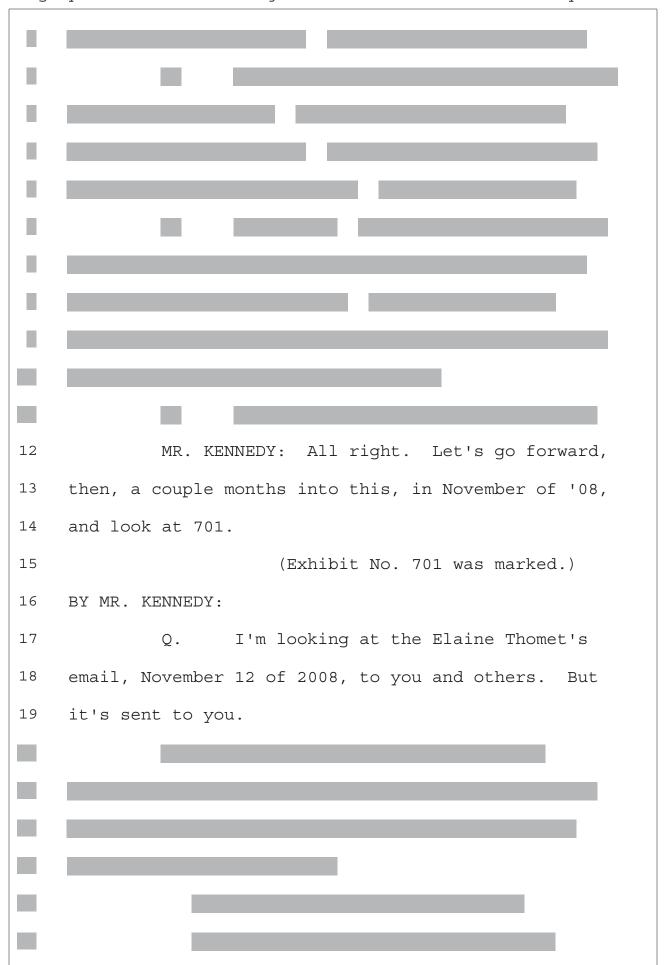


Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 269 of 446 PageID #: 165631 Highly Confidential #: 4 Subject to Further Confidential #: 7 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 270 of 446 PageID #: 165632 Highly Confidential #: 1800 Ject to Further Confidential #: Review



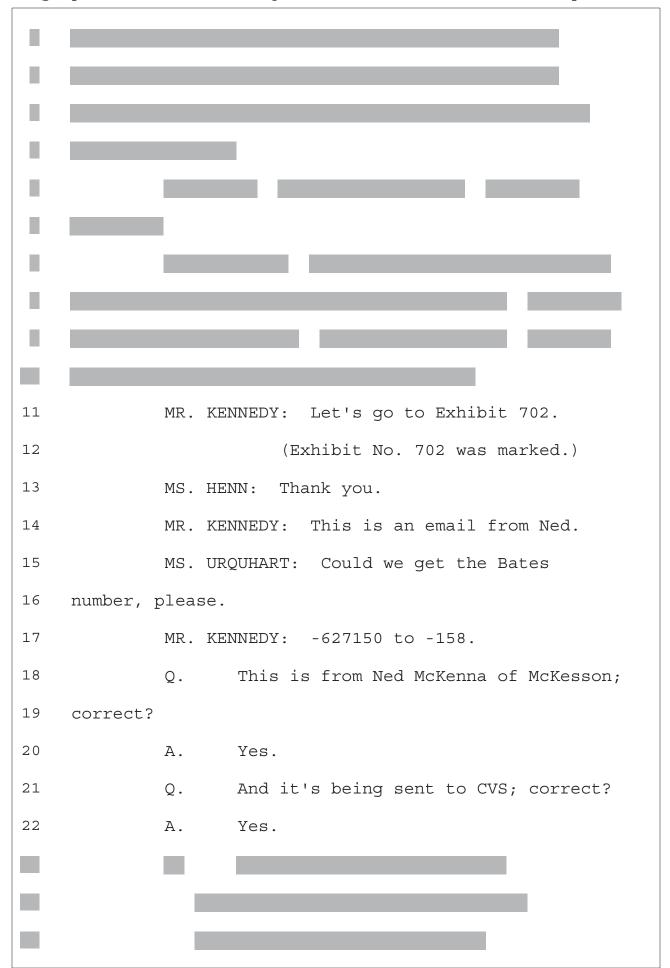


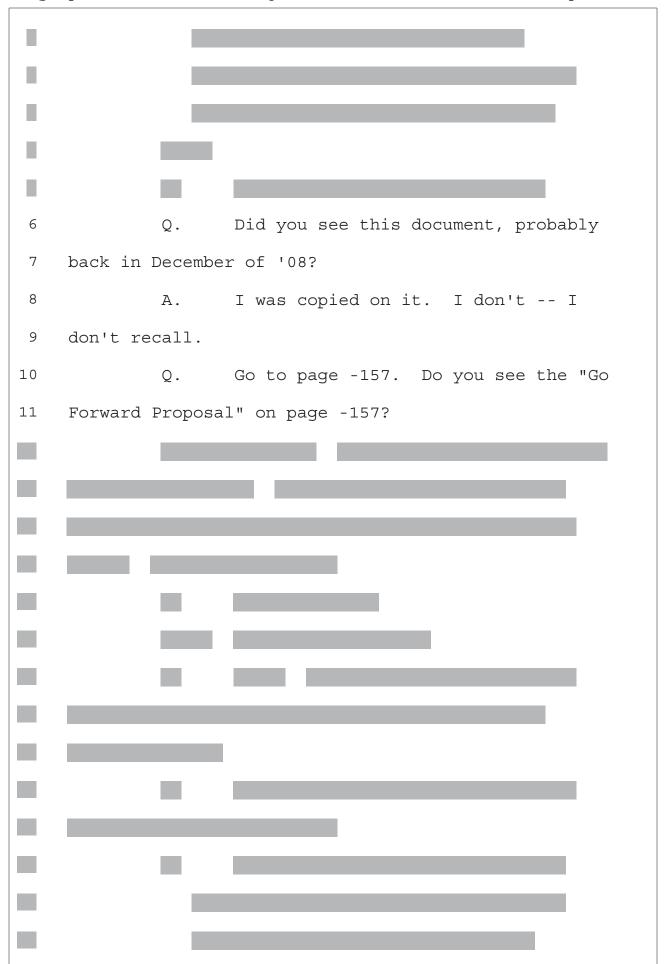
Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 272 of 446 PageID #: 165634 Highly Confidential #: 1800 Ject to Further Confidential #: Review



i.	
10	BY MR. KENNEDY:
11	Q. And you don't know what Viper is;
12	right?
13	A. I don't remember what Viper is.
14	Q. Did anybody ever know what Viper was?
15	A. I don't know.
16	Q. You don't know.
17	Would you be surprised to know that Viper is
18	not a Controlled Substance Monitoring Program for any
19	controlled substances that CVS purchased from
20	McKesson?
21	MS. HENN: Objection to form. Lack
22	BY MR. KENNEDY:
23	Q. Would that be surprising to you?
24	MS. HENN: Objection to form. Lacks
25	foundation.







Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 277 of 446 PageID #: 165639 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 278 of 446 PageID #: 165640 ew



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 279 of 446 PageID #: 165641 ew

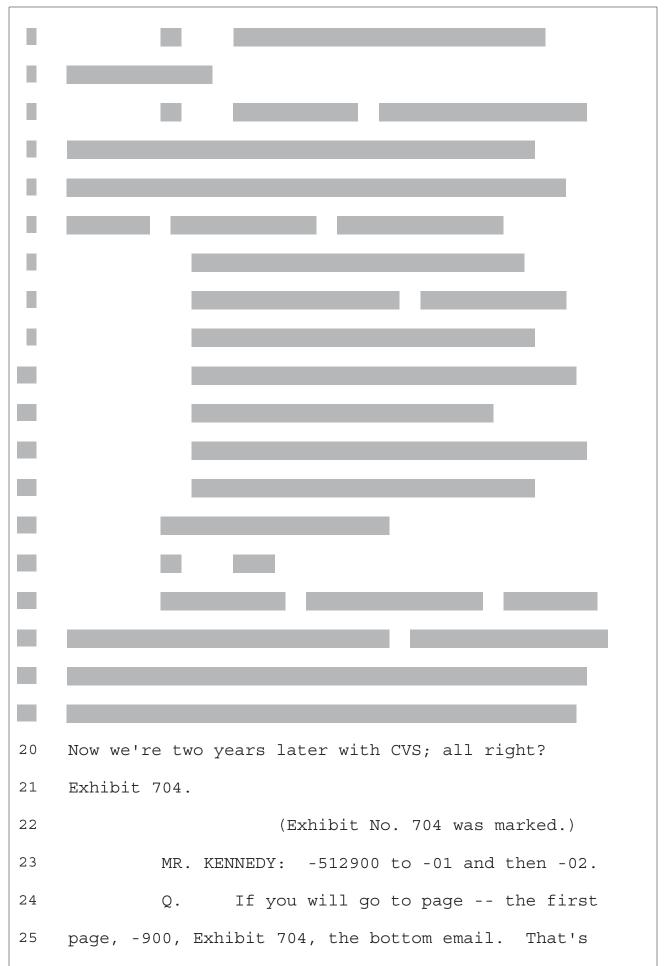


Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 280 of 446 PageID #: 165642 Highly Confidential #: 1800 Ject to Further Confidential #: Review



```
MR. KENNEDY: Let's look how that worked,
 4
 5
    all right? Give me 703, please.
                         (Exhibit No. 703 was marked.)
6
 7
              MR. KENNEDY: This is Exhibit 703, -535756
 8
    to -901.
                     I'm going to start with the bottom
 9
              Q.
             That's from Dave Gustin. All right?
10
     email.
11
              Α.
                     Okay.
12
              Q.
                     And the subject is, "Hydrocodone
     Increase." We know what hydrocodone is, right, a
13
     controlled substance? Right?
14
15
              Α.
                     Yes.
16
              Q.
                     And it says:
23
              What does that stand for?
24
                     I don't know.
              Α.
25
                     That's related to the hydrocodone;
              Q.
```





from Rhonda Fargo, that bottom email? 1 The bottom of -900? 2. Α. 3 Q. Yes. Α. 4 Yes. And now it's February of 2010, two 5 Q. years after the CSMP has been put into place. And 6 7 she's sending an email to different directors in Regulatory Affairs; correct? 8 9 Α. Yes. She says: 10 Q.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 285 of 446 PageID #: 165647 Highly Confidential #: 1800 Ject to Further Confidential #: Review



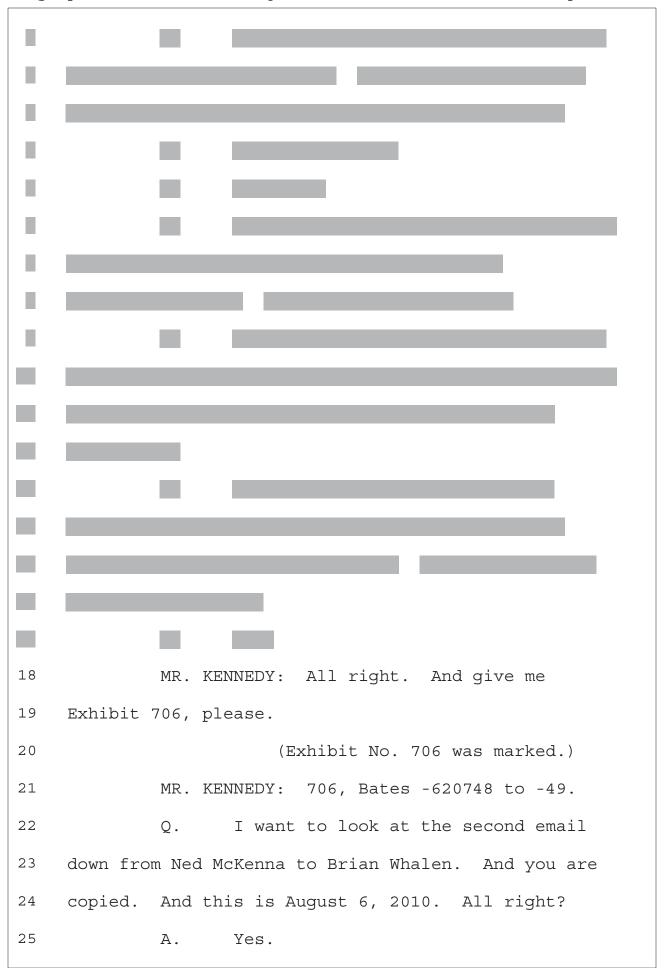
Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 286.of 446 PageID #: 165648 Highly Confidential #: 1800 Ject to Further Confidential #: Review

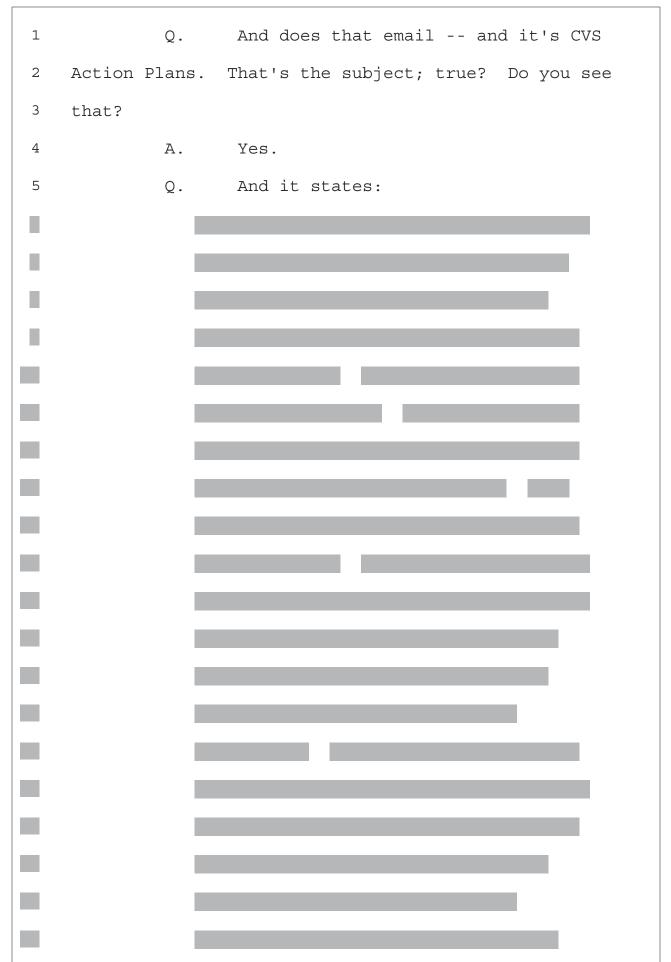


MS. HENN: Objection to form. Lacks 7 foundation. 8 Counsel, we're over an hour. Take a five-, ten-minute break. THE VIDEOGRAPHER: We are going off the 10 11 record. The time is 3:51 p.m. 12 (Recess taken.) 13 THE VIDEOGRAPHER: We are back on the 14 record. The time is 4:07 p.m. MR. KENNEDY: I show you Exhibit 713, which 15 is Bates -627066. 16 17 (Exhibit No. 713 was marked.) 18 BY MR. KENNEDY: 19 Q. Do you see that email? I just wanted 20 to look at the last sentence in that email. 21 Α. I see the email there. 22 Q. You're right. Do you see that 23 last --24 The last sentence at the bottom? Α. 25 Yes. Ned is from -- Ned is from O.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 288 of 446 PageID #: 165650 Highly Confidential #: 165650 Further Confidential #: 7 Review

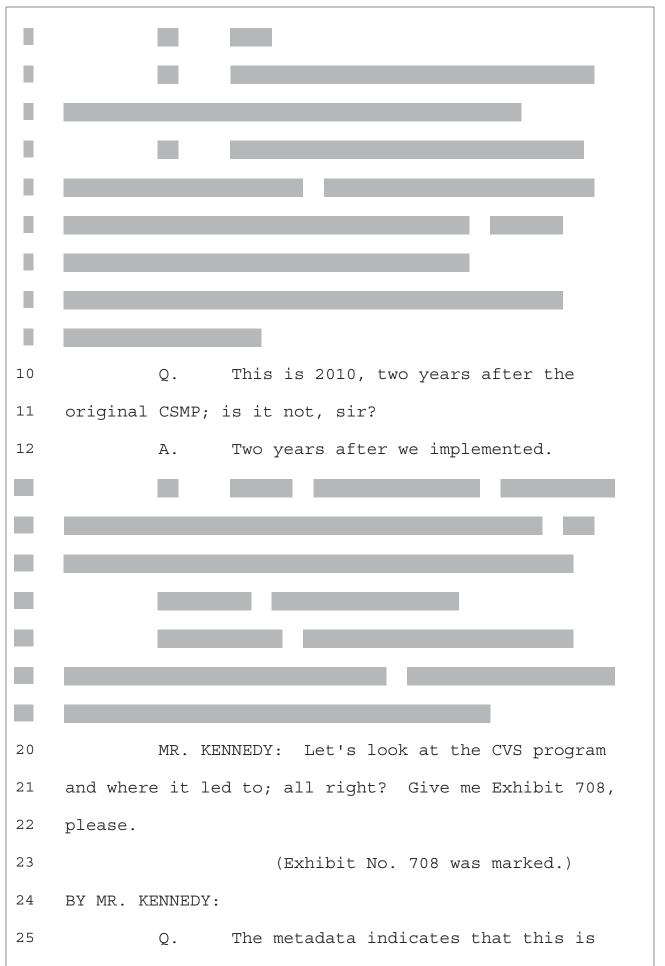






Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 291 of 446 PageID #: 165653 Highly Confidential #: 1800 Ject to Further Confidential #: Review





```
from February 8 of 2010.
 1
 2.
              THE VIDEOGRAPHER: Sorry, sir. I think
    you're hitting the --
 3
              THE WITNESS: Oh, did it again.
 4
 5
    BY MR. KENNEDY:
18
              MR. KENNEDY: 710, Exhibit 710.
19
                         (Exhibit No. 710 was marked.)
20
              MS. HENN: Are we done with 708?
21
              MR. KENNEDY: Yes.
22
              MS. HENN: Okay.
23
    BY MR. KENNEDY:
24
                     Do you see the email -- the email is
              Q.
25
     from Tom McDonald, 2-8-2010; do you see that?
```

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 294 of 446 PageID #: 165656 Highly Confidential #: 165656



11 That's 2010. Let's go two MR. KENNEDY: 12 years forward and look at CVS and see how the 13 threshold system was working. Let's go to 2012, Exhibit 709. 14 (Exhibit No. 709 was marked.) 15 16 BY MR. KENNEDY: This is from Tom McDonald. 17 Ο. 18 McDonald, at this point in time, he was the Director of Regulatory Affairs and was responsible for CVS; 19 20 was he not? 21 MS. HENN: Objection to form. Lacks 22 foundation. 23 BY MR. KENNEDY: 24 2012. Ο. 25 I believe in 2012 Tom McDonald was --Α.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 296.of 446 PageID #: 165658 Highly Confidential #: 165658 Review



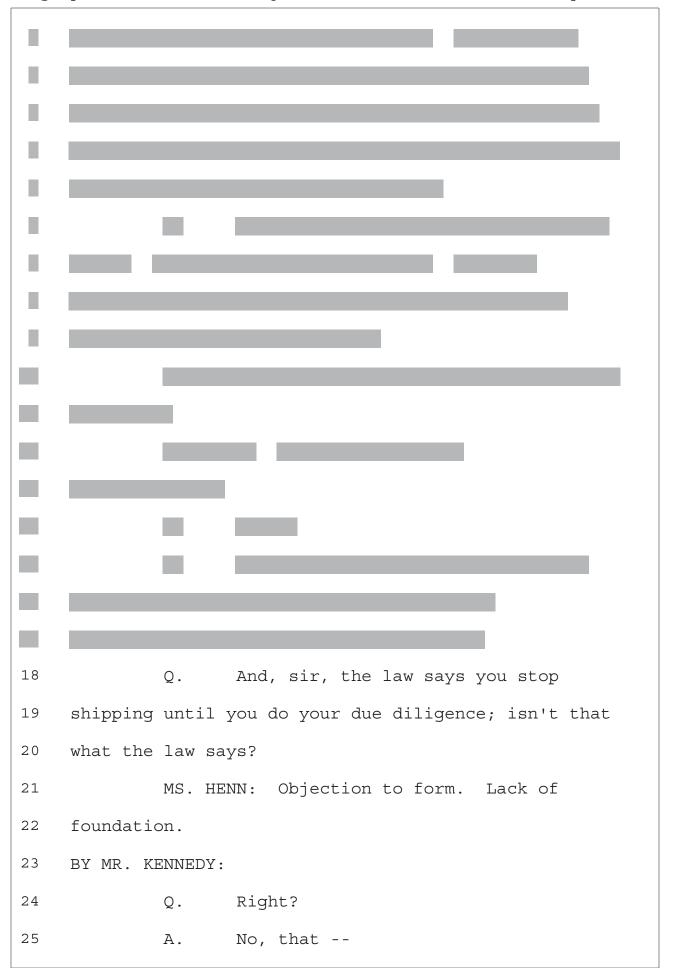
Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 297 of 446 PageID #: 165659 Highly Confidential #: 1800 Ject to Further Confidential #: Review



1 Α. In 2012 oxycodone had been identified as a controlled substance that was being abused. Not "a." "The." 3 Q. You know well that by 2012 oxycodone was in 4 5 the middle of the opioid crisis; was it not? It was one of the controlled 6 Α. 7 substances that was of concern being abused. 8 Q. Let me ask you: Not one of; was oxycodone the number one addictor and killer in the 10 United States with respect to this opioid crisis by 11 2012? Number one; was it not, sir? 12 MS. HENN: Objection to form. Asked and 13 answered. And lacks foundation. 14 THE WITNESS: I can't answer its position. 15 What I can absolutely assure you is that there were other controlled substances that were of concern 16 17 across the country for abuse. 18 BY MR. KENNEDY:

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 300 of 446 PageID#: 165662 Highly Confidential#: Property Review





- 1 Q. This is 2012.
- 2 A. Can I finish, Counsel.
- MS. HENN: Yes, you can.
- 4 BY MR. KENNEDY:
- 5 Q. My question is --
- 6 MS. HENN: Counsel, he would like to finish
- 7 his answer.
- MR. KENNEDY: I didn't finish my question.
- 9 Q. Isn't that the law in 2012, you don't
- 10 ship if you have a concern?
- MS. HENN: Mr. Walker, do you need the prior
- 12 question back so you can answer?
- MR. KENNEDY: It's the same question.
- 14 THE WITNESS: I think I can answer the
- 15 question.
- MS. HENN: Okay.
- 17 THE WITNESS: Counsel, there is no
- 18 regulation to stop shipping controlled substances.
- 19 The regulation requires that we report suspicious
- orders.
- MR. KENNEDY: We're going to write this one
- 22 down.
- Q. How long has that been your view? In
- 24 2007 -- let's start with 2007 -- was McKesson
- required to not ship until it did its due diligence

- on potentially suspicious orders? Was that required
- 2 in 2007?
- MS. HENN: Objection to form.
- 4 BY MR. KENNEDY:
- 5 Q. Don't ship until we do our due
- 6 diligence?
- 7 MS. HENN: Objection to form. Lack of
- 8 foundation.
- 9 BY MR. KENNEDY:
- 10 Q. Was that required of McKesson in
- 11 2007, do not ship until we do our due diligence?
- MS. HENN: Same objection.
- 13 THE WITNESS: There is no regulatory
- 14 requirement to not ship. There is a regulatory
- 15 requirement to report.
- 16 BY MR. KENNEDY:
- Q. All right. And did the DEA tell you
- in 2006 that you are required not to ship until you
- 19 do your due diligence on a potentially suspicious
- order? Did they tell you that in '06 in a letter to
- 21 McKesson?
- MS. HENN: Objection to form. Lacks
- 23 foundation.
- 24 BY MR. KENNEDY:
- Q. Did they tell you that in '06 in a

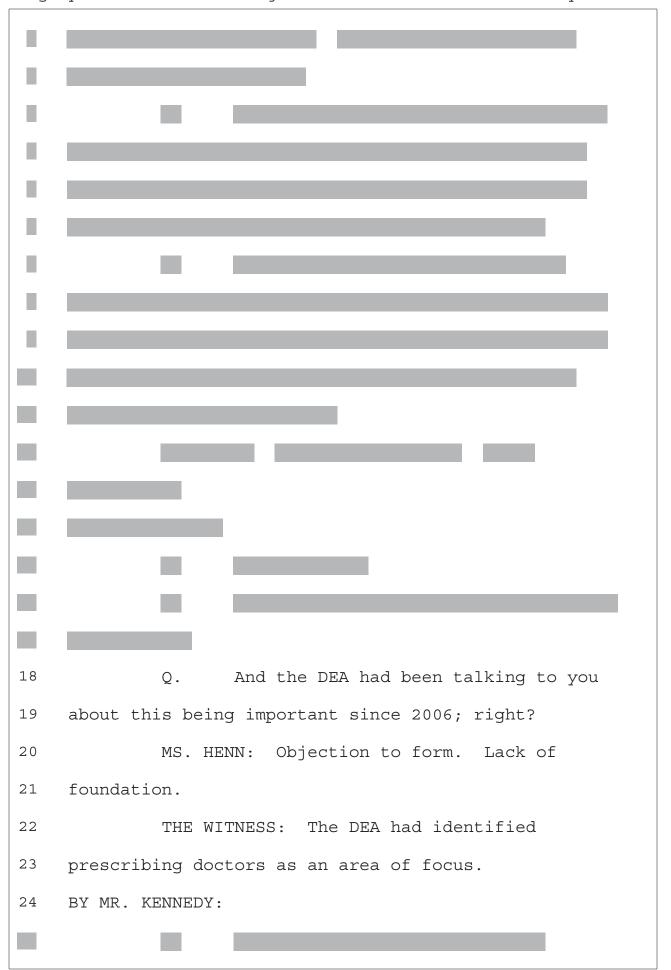


Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 305 of 446 PageID #: 165667 Highly Confidential #: 1800 Ject to Further Further Confidential #: 1800 Ject to Further Fur



```
(Exhibit No. 707 was marked.)
 1
    BY MR. KENNEDY:
 3
                A PowerPoint prepared by you?
             Q.
 4
             MS. URQUHART: Could we get the Bates
 5
    number, please?
 6
             MR. KENNEDY: Pardon me?
 7
             MS. URQUHART: Could we get the Bates
 8
    number, please?
             MR. KENNEDY: Just don't interrupt my
 9
10
    question, and I will be right back with you,
11
    all right?
12
             Q. 707, Exhibit 707, is a PowerPoint,
13
    "CVS - Regulatory PowerPoint"; is it not?
14
             THE WITNESS: This is a -- appears to be a
15
    PowerPoint presentation from McKesson to CVS.
16
    BY MR. KENNEDY:
17
             Q. So my answer is, "Yes"? Is the
18
    answer to my question, "Yes"?
             MS. HENN: Objection to form.
19
20
             THE WITNESS: It's a McKesson PowerPoint.
    You asked if it was a CVS PowerPoint. It's a
21
22
    McKesson PowerPoint.
23
    BY MR. KENNEDY:
24
             Q. Does it say, "CVS - Regulatory
25
    Review"?
```

	Α.	It's a CVS regulatory review.
	Q.	Prepared by you?
	Α.	Yes.
	Q.	Bates No497980 to -89. This is
March of	2012?	Is that correct?
	Α.	Yes, that's the date on the document.
		Q. A. Q. March of 2012?



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 309 of 446 PageID #: 165671 Review

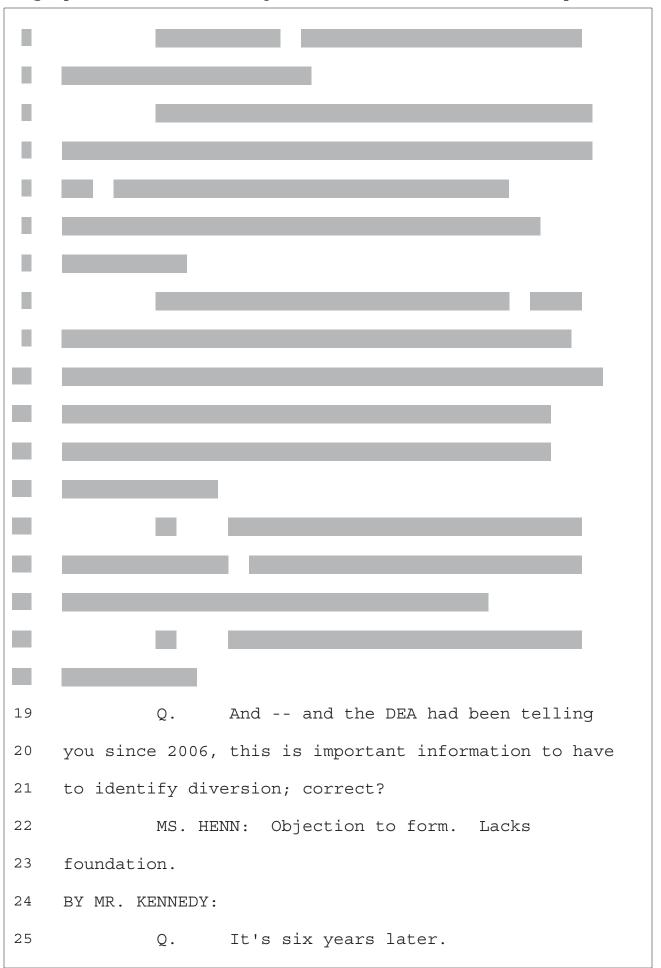


Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 310 of 446 PageID #: 165672 Highly Confidential #: 105672 Further Confidential #: 105672



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 311 of 446 PageID #: 165673 Filed: 07/23/19 31 of 446 PageID #: 165673 Filed: 07/23/19 31 of 446 Pag



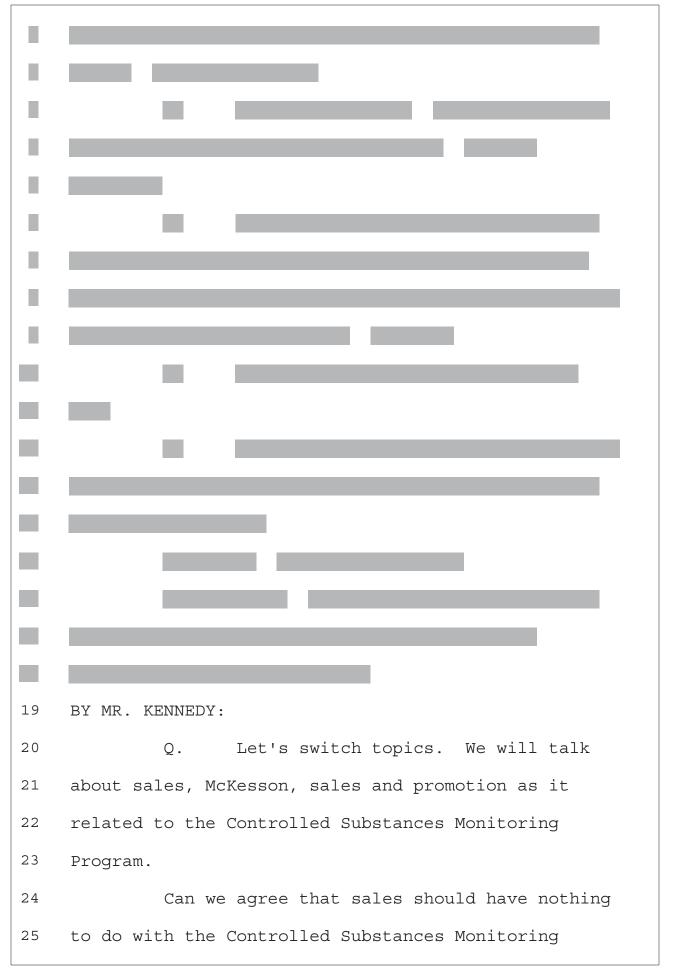


Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 313.of 446 PageID #: 165675 Highly Confidential #: 1800 Further Confidential #



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 314 of 446 PageID #: 165676 Highly Confidential #: 1800 Ject to Further Confidential #: Review





- 1 Program, should not have anything to do with it? Do
- 2 you agree with that?
- A. Can I clarify, Counsel. Are you
- 4 referring to our sales force?
- 5 Q. Your sales force, your sales
- 6 strategy, your sales goal should have nothing to do
- 7 with your job as the head of Regulatory to monitor
- 8 controlled substances?
- 9 MS. HENN: Objection to form. Compound.
- 10 THE WITNESS: I would not agree that our
- 11 sales force should not be involved in the Controlled
- 12 Substance Monitoring Program. I would agree that
- 13 sales never influenced our decisions around our
- 14 regulatory responsibilities.
- 15 BY MR. KENNEDY:
- Q. Okay. Well, let's look at that.
- 17 Let's look at that.
- First of all, how many sales reps -- did you
- 19 know how many national sales reps McKesson had,
- 20 regional sales manager? Hundreds?
- A. I'm going to -- it would be a guess
- 22 that we had -- it would probably be less -- you know,
- 23 150 or less. I really don't remember exactly.
- 24 O. And the First Service -- the sales
- 25 assistants, the First Service folks that were located

- down in Texas, I think I've read there were a hundred
- 2 sales assistants down in Texas; do you recall that?
- 3 First Service.
- 4 MS. HENN: Objection. Objection to form.
- 5 THE WITNESS: Counsel, our -- it's called
- 6 Service First.
- 7 MR. KENNEDY: I'm sorry.
- 8 THE WITNESS: Our Service First organization
- 9 was not just a sales support organization. It was
- 10 really a customer -- customer service call center.
- 11 BY MR. KENNEDY:
- 12 Q. You had the Regional Sales Managers.
- 13 How many District sales folks above the -- above the
- 14 Regional Sales Managers were there? If there's 100
- to 150 Sales Managers, how many District sales folks
- 16 were above them?
- MS. HENN: Objection to form. Lacks
- 18 foundation.
- 19 THE WITNESS: I don't remember specifically
- 20 how many there were.
- 21 BY MR. KENNEDY:
- Q. How many marketing folks were there,
- people that had put together the marketing sales
- 24 programs above the -- let's say the District Sales
- 25 Manager? How many were those in that department,

- 1 let's say, nationally?
- MS. HENN: Objection to form.
- 3 THE WITNESS: Our marketing group was not
- 4 based in the field. We had a marketing group that
- 5 was headquartered. I don't remember what the
- 6 specific number of marketing people we had. I
- 7 would -- I would estimate, and it would be a pure
- 8 estimation, it was probably 35.
- 9 BY MR. KENNEDY:
- 10 Q. So you maybe have 150 Sales Managers
- 11 across the country, and you've got District Sales
- 12 Managers above them. McKesson has got 35 people
- working in marketing. Is that in San Francisco?
- 14 Would that be here?
- 15 A. Yes. All the marketing at the time
- 16 was at our headquarters in San Francisco.
- Q. And you've got a hundred customer
- 18 service reps sitting at a call center. They were
- 19 down in Texas; right?
- MS. HENN: Objection to form. Lacks
- 21 foundation.
- 22 THE WITNESS: Our Service First organization
- 23 was based in Texas, and we also had a satellite --
- 24 and at that time I think we had a satellite in
- 25 Phoenix that, again, I can't remember specifically

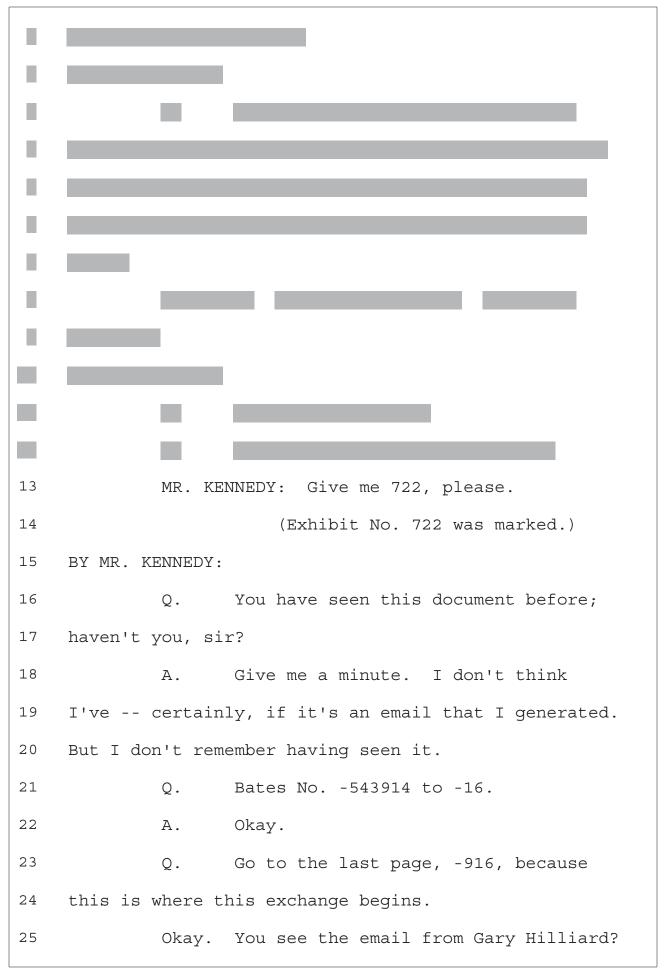
- 1 how many people were there.
- 2 BY MR. KENNEDY:
- Q. And I'm -- I'm -- for what we've
- 4 said, I'm counting up close to -- close to 300 people
- in marketing and sales at McKesson; would that be
- 6 about right?
- 7 MS. HENN: Objection to form. Lacks
- 8 foundation.
- 9 THE WITNESS: Again, I'm concerned about
- 10 quessing on the numbers.
- MR. KENNEDY: All right.
- 12 THE WITNESS: But it's --
- 13 BY MR. KENNEDY:
- Q. Well, one thing you're not quessing
- on back in 2006 or '7, in Regulatory, watching
- opioids, there was three; right? Three people?
- MS. HENN: Objection to form. Lacks
- 18 foundation.
- 19 BY MR. KENNEDY:
- Q. Three?
- 21 A. That -- that's not accurate because
- our Field Operations Team, our Distribution Center
- 23 Managers, and their second in command were also very
- 24 heavily involved in regulatory compliance.
- Q. Five hours ago didn't we look at a

- 1 slide you presented to the DEA and said, prior to
- 2 2008 our regulatory team had three people?
- MS. HENN: Objection to form.
- 4 BY MR. KENNEDY:
- 5 Q. You, Mr. Hilliard, and another
- 6 gentleman. Isn't that the representation to the DEA
- 7 on the slide that we looked at six hours ago?
- 8 MS. HENN: Objection to form.
- 9 Mischaracterizing the document.
- 10 THE WITNESS: What I was representing in
- 11 that document was what our Regulatory Affairs staff
- 12 group was. Again, we very strongly utilized our
- Field Operations Teams in terms of our regulatory
- 14 compliance, and ensured that at a local level we had
- 15 oversight.
- 16 BY MR. KENNEDY:
- Q. Sir, McKesson paid a \$13 million fine
- 18 in 2008; correct?
- 19 A. We paid -- as a result of the
- agreement, we paid a penalty of \$13 million.
- Q. So the answer would be "Yes"; right?
- 22 MS. HENN: Objection to form. Asked and
- answered.
- 24 BY MR. KENNEDY:
- Q. Would the answer be "Yes"?

1 Α. We paid the \$13 million penalty. 2. Q. The answer would be "Yes"; correct? 3 MS. HENN: Objection to form. Asked and 4 answered. 5 BY MR. KENNEDY: It's a "yes" or "no." The answer 6 Q. 7 would be, yes, you paid a \$13 million fine; true? 8 Α. We paid a \$13 million penalty. Okay. Maybe I -- would I be 9 Ο. correct -- it's kind of a "yes" or "no." Simple. 10 11 Would I be correct you paid a \$13 million penalty in 12 2008? 13 That's correct. Α. 14 Q. Leading up to that, prior to 2008, 15 you folks began to meet and discuss the creation of a 16 new monitoring program; did you not? 17 Α. Internally? 18 Yes. Q. 19 Α. Yes.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 322 of 446 PageID #: 165684 Highly Confidential #: 185684 Further Confidential #: Review





- 1 And this is October 23, 2006. This is during the
- 2 period when you're trying to put together your
- 3 monitoring program; correct?
- 4 A. Yes, this would be during the time
- frame we were creating the IT development for --
- 6 Q. And Gary Hilliard --
- 7 MS. HENN: Did you finish your answer, sir?
- 8 THE WITNESS: The IT development program for
- 9 the CSMP.
- MS. HENN: Thank you.
- 11 BY MR. KENNEDY:
- 12 Q. Gary Hilliard, at that point he is
- the Director of Regulatory Affairs; right?
- 14 A. I believe Gary's title at the time
- 15 was Regulatory. He's on the Regulatory staff, and I
- 16 believe that title is correct.
- Q. He states in this email -- do you
- 18 know Sharon Mackarness? Who that is?
- 19 A. I'm familiar with the name. Sharon
- 20 Mackarness was one of our -- the McKesson I.T.
- 21 associates who was responsible for pieces of
- development and interface with CSMP.
- Q. This is a year-and-a-half before your
- 24 monitoring program goes into place; true?
- MS. HENN: Objection to form.

1	Mischaracterizes the evidence.
2	THE WITNESS: October 2006. We implemented
3	in the spring of 2008. So roughly that time frame.
4	BY MR. KENNEDY:
5	Q. It states:
1	
1	
1	

12 MS. HENN: Objection to form. 13 BY MR. KENNEDY: 14 Q. That's basically what she's saying? She's responding, and she's asking some I.T. 15 16 questions about the establishment of the program? 17 Α. It appears that she is asking 18 questions to get the information she needs for system design. 19 20 And she is -- again, she's Q. 21 referencing a meeting that occurred that morning, 22 October 26, 2006; right? 23 Α. Yes. 24 And go to the earlier page, -15. 25 same day Sharon McGinnis -- Mackarness, excuse me,

from I.T. at McKesson, she writes an email to Gary 1 Hilliard; correct? 2 3 At the bottom of the page, yes. Α. And she copies two other folks. 4 Q. 5 VanderWerf; correct? 6 Α. Yes. 7 And she says, "Gary," right? Gary? Q. 8 Α. Yes. 9 In the second paragraph she says, Q. "JD," and that's probably referencing Jean-Dou up 10 ahead? Up above, JD? 11 12 Α. Yes. 13 Do you know JD, who he was? Q. Another I.T. individual. 14 Α.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 328 of 446 PageID #: 165690 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc.#: 1964-53 Filed: 07/23/19 329 of 446 PageID #: 165691 ew



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 330 of 446 PageID #: 165692 Highly Confidential #: 105692 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 331 of 446 PageID #: 165693 Further Confidential ty Review



- 1 BY MR. KENNEDY:
- Q. Isn't that true, sir?
- A. I'm not sure I understand the
- 4 question as asked.
- Q. Well, we will go through some detail,
- 6 then.
- 7 First of all, you knew and understood that
- 8 the salespeople at McKesson were paid on commission;
- 9 did you not?
- 10 A. Our sales force was -- has a
- 11 portion -- my understanding is a portion of their
- 12 compensation, there was variable compensation
- 13 associated with various programs.
- 14 Q. The more they sold, the more money
- they made, very simple; isn't that true?
- MS. HENN: Objection to form. Lacks
- 17 foundation.
- THE WITNESS: To my knowledge, that's not
- 19 accurate. It wasn't -- it's not that simple of a
- 20 calculation or process.
- 21 BY MR. KENNEDY:
- Q. In fact, didn't you know and
- understand that a salesperson could double, could
- 24 double their annual income based upon sales?
- A. I don't have any specific knowledge

on what the percentages or the proportions were. 1 17 BY MR. KENNEDY: All right. Salespeople also got paid 18 Q. if they brought in a new pharmacy, a new customer 19 20 into McKesson; didn't they? They also got paid if 21 they did that; true? 22 MS. HENN: Objection to form. foundation. 23 24 THE WITNESS: Again, I don't have any 25 specific knowledge of what they were paid. But I

1	believe there was compensation associated with new
2	business.
3	BY MR. KENNEDY:
4	Q. And, sir, before McKesson under
5	their 2008 program, before McKesson would sell
6	opioids to a pharmacy, they went through an
7	on-boarding process; did they not?
8	A. Yes.

Case: 1:17-md-02804-DAP Doc#: 1964:53 Filed: 07/23/19 335.of 446 PageID #: 165697 Review



1	
1	
7	Q. And McKesson knew and you knew and
8	the salespeople knew that if we bring in a new
9	customer, number one, I'm going to get a bonus as a
10	salesperson for bringing in a new customer, and,
11	number two, my sales are going to increase if I get a
12	new customer, and I'm going to make more money; you
13	all knew that, right?
14	MS. HENN: Objection to form.
15	BY MR. KENNEDY:
16	Q. You knew that?
17	A. Again, I think that's oversimplfying
18	the sales force compensation.
19	Q. Now, also built right into your
20	program for the salespeople, you told us we've

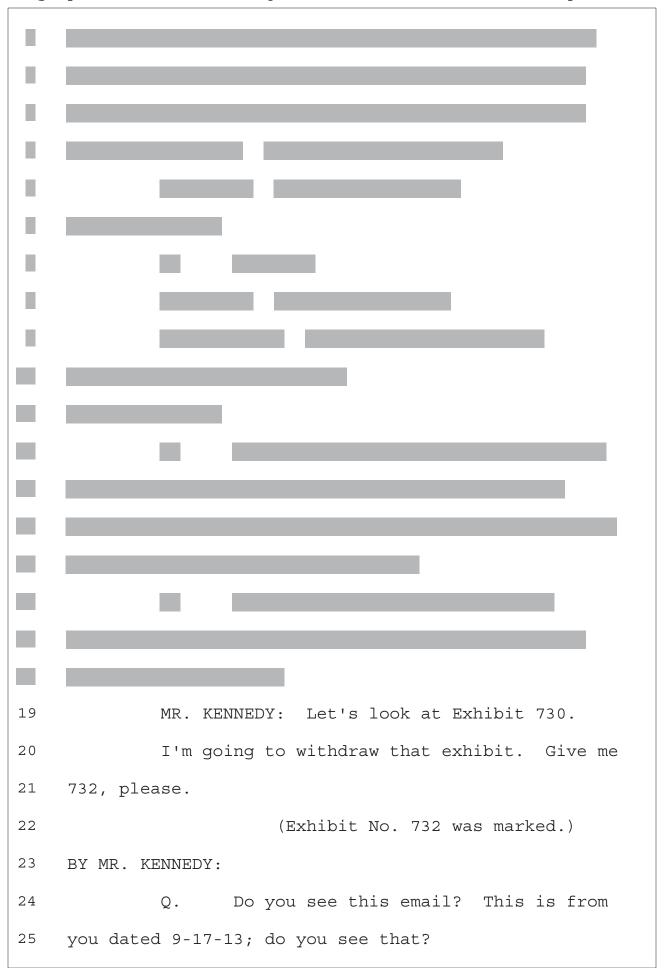
Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 337 of 446 PageID #: 165699 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 338 of 446 PageID #: 165700 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 339 of 446 PageID #: 165701 Highly Confidential #: 4 Subject to Further Confidential #: 4 Review



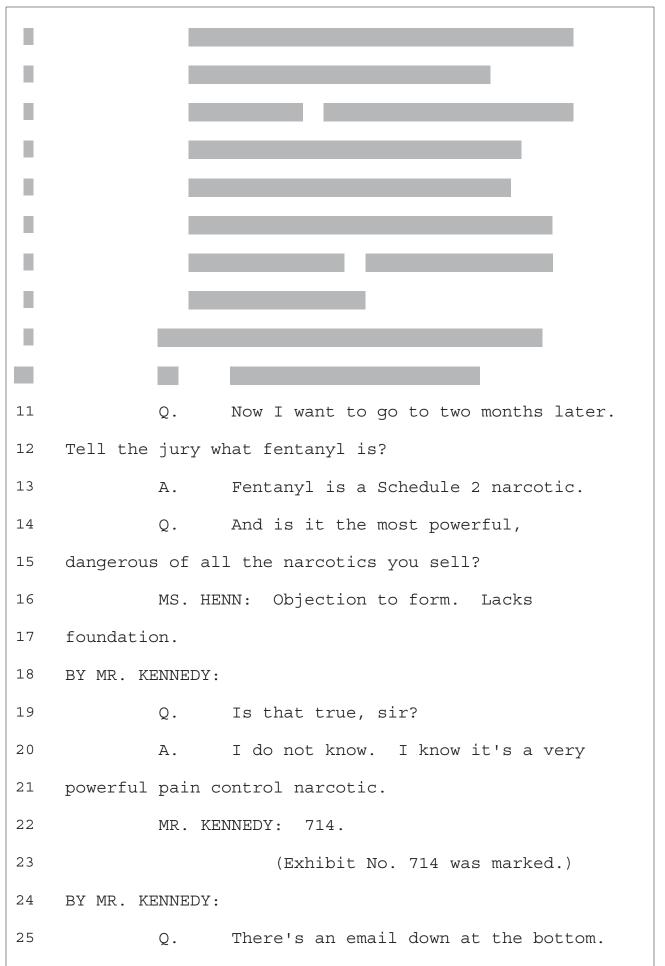
1 Α. Yes. 2. Q. And the next page says, "Controlled 3 Substances Regulatory Org Structure." Do you see that? 4 5 Α. Yes. This is created by you? 6 Q. 7 Α. Yes. And this is 2013. And if you go to 8 Q. page -500. Do you see that? Look at the second 9 10 bullet point. Do you see that second bullet point? 11 Α. Yes. 12 Q. In 2013 you write:

8 BY MR. KENNEDY: 9 And, sir, over and above these Ο. 10 salespeople that we're talking about, you had -- you had marketing people at McKesson; did you not? We 11 12 have talked about them. 13 MS. HENN: Objection to forms. foundation. 14 15 BY MR. KENNEDY: 16 There were marketing people at 17 McKesson; were there not? 18 Yes, there was a marketing Α. 19 department. 20 And while you were trying to control Ο. 21 the flow of opioids into the communities and the 22 pharmacy, the marketing people were trying to sell more opioids; were they not? 23 24 MS. HENN: Objection to form. Lacks foundation. 25

```
1
             THE WITNESS: No, that's not accurate.
 2.
             MR. KENNEDY: 720.
 3
                        (Exhibit No. 720 was marked.)
    BY MR. KENNEDY:
 4
 5
             Q.
                    The first email in time is number one
    at the bottom. That's where it starts in time.
 6
 7
    -543462 to -63.
             This is an email from Scott Mooney, and this
 8
    is to you, January 16 of 2008, importance high. It
10
    states:
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Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 344 of 446 PageID #: 165706 Highly Confidential #: 165706 Further Confidential #: 165706







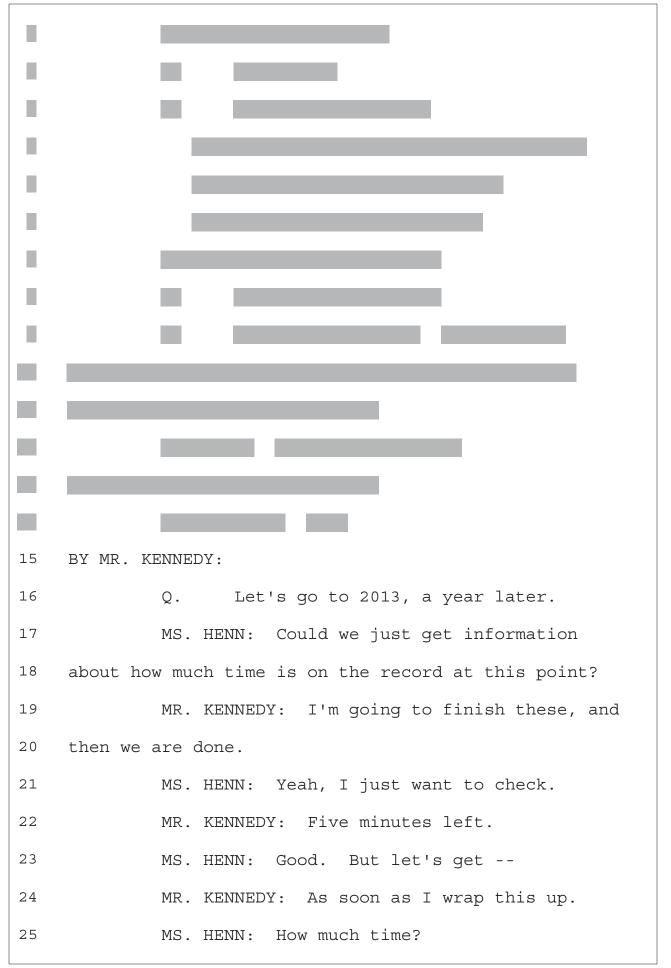
Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 347 of 446 PageID #: 165709 Highly Confidential #: 1800 Ject to Further Confidential #: Review

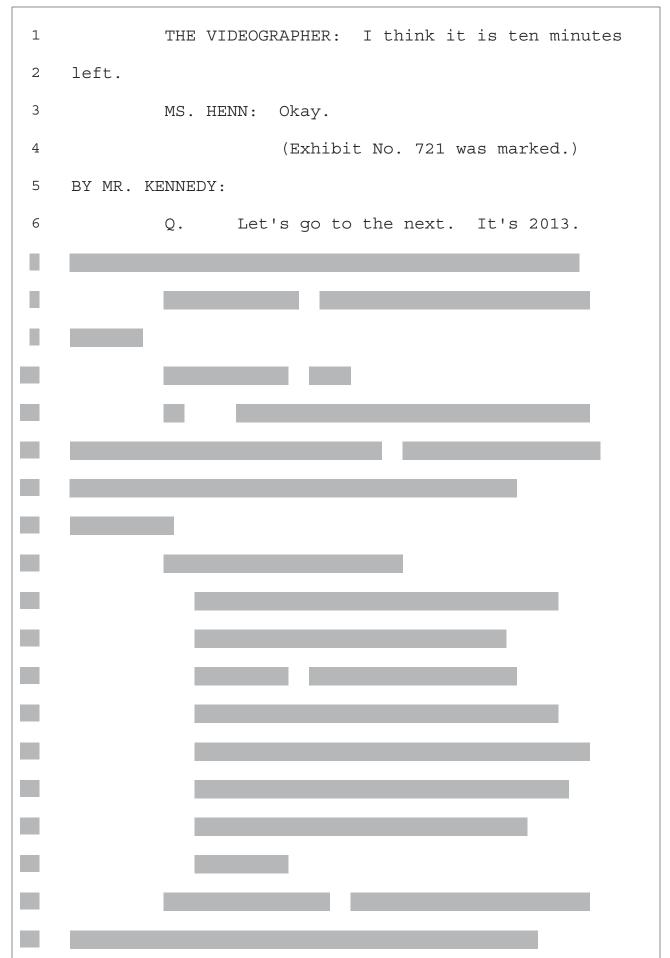


3 Let's look to 2012, two years later, Q. two years after that 7-19. 4 5 Α. Again, Counsel, we would not have changed any thresholds on any of our customers in 6 7 support of any promotions. Mr. Walker, you got fined 8 Q. \$150 million in 2018 for changing thresholds; didn't 10 you? 11 MS. HENN: Objection to form. Lacks 12 foundation. 13 BY MR. KENNEDY: 14 Q. Is that true? Did you get fined \$150 million in 2018, McKesson? 15 16 I wasn't with McKesson at the time. 17 I understand that McKesson paid \$150 million. 18 (Exhibit No. 719 was marked.) BY MR. KENNEDY: 19 20 Let's go to 719. We're still on

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 349 of 446 PageID #: 165711 Review







Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 352 of 446 PageID #: 165714 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 353 of 446 PageID #: 165715 Highly Confidential #: 1800 Ject to Further Confidential #: Review



1	
1	
1	
1	
5	Q. Do you know how many people
6	hydrocodone was killing a year at the time of this
7	of this promotion in 2013? Do you know that?
8	A. No, I don't have any specific
9	information on that.
10	MR. KENNEDY: Let's look at 718. We are
11	still in 2013.
12	(Exhibit No. 718 was marked.)
13	BY MR. KENNEDY:
14	Q. This is Exhibit 718, -546932 to -34.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 355 of 446 PageID #: 165717 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 356 of 446 PageID #: 165718 Highly Confidential #: 1800 Ject to Further Confidential #: Review



- 4 BY MR. KENNEDY:
- 5 Q. And, sir, when you say you are not
- 6 going to change thresholds without justification, let
- 7 me ask you very clearly, isn't it true that McKesson
- 8 got fined \$150 million in a 2018 agreement based upon
- 9 conduct, increasing thresholds without
- documentations, during this very time period, 2012,
- 11 2013, 2014?
- MS. HENN: Objection to form. Lacks
- 13 foundation.
- 14 BY MR. KENNEDY:
- Q. Do you recall that?
- 16 A. Counsel, as I -- as I answered, the
- 17 agreement or document of 2014 or '15, whatever it
- 18 was, I was not with the company. I have no specific
- 19 knowledge of the settlement.
- I do know that McKesson paid 150. I do not
- 21 understand or have reviewed the details of that
- 22 settlement.
- MS. HENN: Counsel, I think we're about at
- 24 time, if you want to ask your last question.
- MR. KENNEDY: All done.

```
1 MS. HENN: Great. So I guess we will go off
2 the record.
```

- THE VIDEOGRAPHER: We are going off the
- 4 record. The time is 5:34 p.m.
- 5 (Recess taken.)
- THE VIDEOGRAPHER: We are back on the
- 7 record. The time is 5:54 p.m.
- 8 EXAMINATION
- 9 BY MS. HENN:
- 10 Q. Good evening, Mr. Walker.
- A. Good evening.
- 12 Q. Mr. Walker, you testified earlier
- today that you joined McKesson in 1987; is that
- 14 correct?
- 15 A. That is correct.
- Q. Before joining McKesson, where did
- 17 you work?
- 18 A. Prior to -- immediately prior to
- 19 working for McKesson, I worked for a grocery
- wholesale distributor, a trucking company. And then
- 21 prior to that, I spent ten years in law enforcement.
- Q. What roles did you play in law
- 23 enforcement?
- A. I was a city police officer in a city
- in the East Bay of San Francisco.

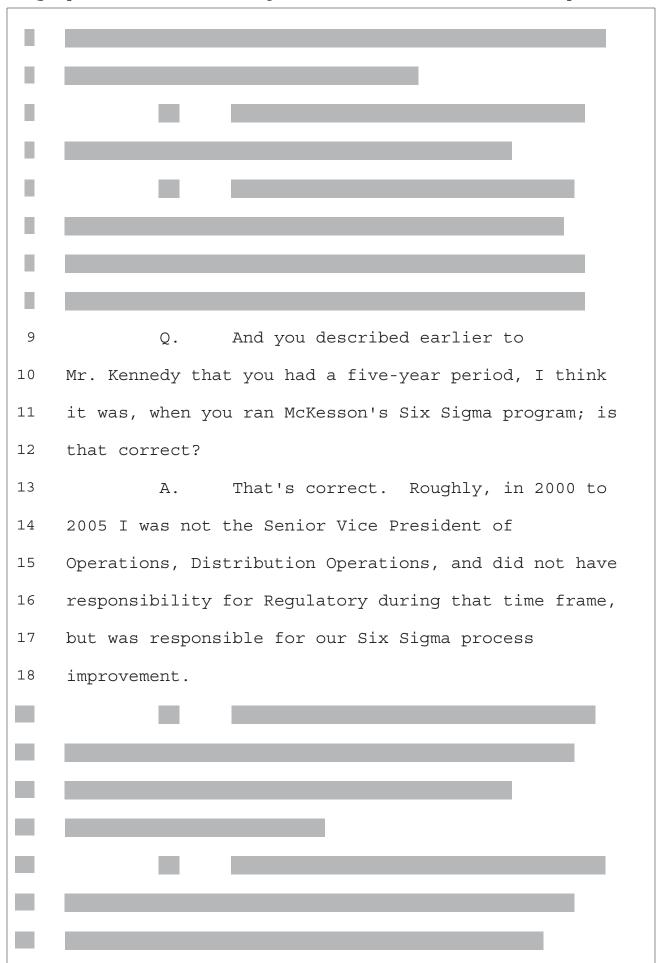
- Q. Back to your time at McKesson. Could
- 2 you describe for the jury the various positions you
- 3 held at McKesson beginning in 1987.
- A. 1987 I joined the company with a
- 5 subsidiary company in the transportation group,
- 6 transportation and warehousing. And that company
- 7 transitioned to the McKesson Drug Company in roughly
- 8 1991. Was in a staff role for a short period of
- 9 time, a staff role in transportation.
- 10 Then I became the Distribution Center
- 11 Manager in Sacramento, promoted to the Vice President
- of Distribution Operations for the Western Region.
- 13 It was a newly-created position.
- And subsequently, in roughly 1996, I was
- promoted to the Senior Vice President of Distribution
- 16 for McKesson Pharmaceutical.
- Q. And when did you become Senior Vice
- 18 President of Distribution for McKesson
- 19 Pharmaceutical?
- 20 A. It was 1996. I don't remember
- 21 exactly when in '96.
- Q. And that was also the position you
- 23 held when you retired from McKesson; is that correct?
- 24 A. Yes, it was.
- Q. When did you retire?

- 1 A. June of 2015.
- Q. You've mentioned today that your
- 3 former employer, McKesson, is a wholesale distributor
- 4 of pharmaceuticals. Can you describe how that
- 5 business operates at a high level?
- A. At a high level, McKesson, as the
- 7 other major distributors operate, we purchase
- 8 pharmaceuticals and medicines from the manufacturers.
- 9 We virtually warehoused all of the various
- 10 medications of manufacturers in our warehouses.
- And on a daily basis, we supplied those
- 12 pharmaceuticals to pharmacies. And the major groups
- of pharmacies that we had were -- are independent
- 14 pharmacies, single owner; or generally our retail
- 15 national account customers, which were the large
- 16 chains, like Rite Aid, and CVS and Walmart; our
- 17 hospital group; and then the federal government.
- Q. And briefly, what were your job
- 19 responsibilities as Senior Vice President of
- 20 distribution operations at McKesson?
- 21 A. I was the senior staff operations
- 22 person for McKesson. I had the overall
- responsibility for the distribution network.
- On my staff I had a support team made up of
- a Transportation Group, an I.T. Support Group, our

1 Regulatory Affairs Group was in there, and I had a 2. group that was responsible for construction and 3 building of our distribution centers. 4 You mentioned Regulatory Affairs. What kind of regulatory affairs matters were you 5 responsible for as Senior Vice President of 6 7 operations -- distribution operations, I should say? McKesson, and the wholesalers as an 8 Α. industry, are highly regulated. We have 9 10 responsibilities for a number of regulatory 11 requirements. The FAA, the Department of 12 Transportation, DOT, OSHA. We had hazardous material 13 requirements. Certainly we had responsibility for 14 compliance with DEA regulations. And various state and local regulations as well. 15

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 362 of 446 PageID #: 165724 Highly Confidential #: 1800 Ject to Further Confidential #: Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 363 of 446 PageID #: 165725 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 365 of 446 PageID #: 165727 ew Confidential PageID #: 165727 ew



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 366 of 446 PageID #: 165728 Highly Confidential #: 1800 Ject to Further Confidential #: Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 367 of 446 PageID #: 165729 Highly Confidential #: 1800 Ject to Further Confidential #: Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 368 of 446 PageID #: 165730 Highly Confidential #: 1800 Ject to Further Confidential #: Review

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13
                         I'd like to show you an exhibit.
              MS. HENN:
14
    Let's get this marked as 84.
15
              THE REPORTER: 804.
16
             MS. HENN: 804. Thank you.
17
                         (Exhibit No. 804 was marked.)
18
    BY MS. HENN:
19
                    Mr. Walker, the court reporter handed
20
    you an Exhibit No. -- that's been marked 804. The
21
    Bates number is -571361 through -65.
22
              MR. KENNEDY: Counsel, 804, is this a
23
    defense exhibit?
24
             MS. HENN: It is.
             MR. KENNEDY: Okay. Defense Exhibit 804.
25
```

1	THE REPORTER: I just continued, if that's
2	okay, on the sequence.
3	MR. KENNEDY: Oh, okay.
4	BY MS. HENN:
5	Q. Mr. Walker, do you recognize
6	Exhibit 804?
7	A. Yes, I do.
8	Q. What is Exhibit 804?

Case: 1:17-md-02804-DAP Doc.#: 1964-53 Filed: 07/23/19 371 of 446. PageID #: 165733 Filed: 07/23/19 371 of 446. PageID #: 165733 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 372 of 446 PageID #: 165734 Highly Confidential #: 1805 Further Confidential #: Review

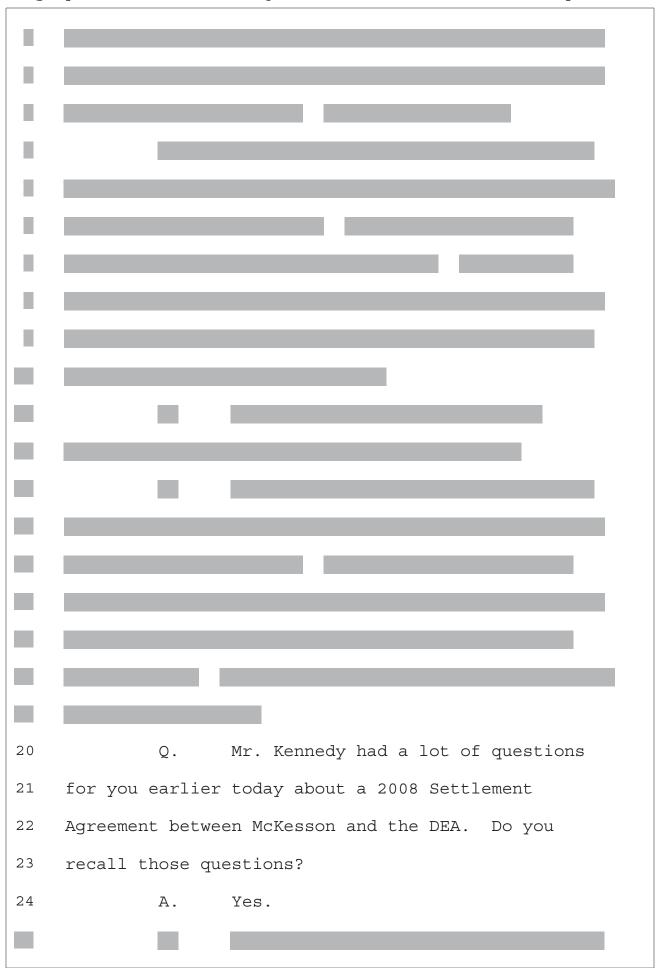


Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 373 of 446 PageID #: 165735 Highly Confidential #: 1805 Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 374 of 446 PageID #: 165736 Highly Confidential #: 1800 Ject to Further Confidential #: Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 375 of 446 PageID#: 165737 Highly Confidential#: Property Review



5 Ο. Did the 2008 Settlement Agreement 6 have provisions in it about what was to replace the 7 DU45 reporting? 8 Α. Specifically in the Settlement Agreement, it was agreed that there would be a 9 10 significant change in suspicious order reporting. 11 That at an agreed-upon time, we would cease providing them a -- the DU45 suspicious order reporting, and we 12 13 would replace it with a format that was mutually 14 agreed upon between the two parties. 15 And probably the most significant change was 16 that we would no longer report suspicious orders to 17 field offices, as stated in the regulation because, 18 in fact, that we would be reporting directly to DEA 19 headquarters. And from that, we recognized that 20 there would be a mutual effort from the two I.T. 21 groups, being DEA and McKesson, to develop the 22 system's interface to execute the suspicious order 23 reporting. 24 MS. HENN: I'd like to mark as Exhibit 805, 25 Defense Exhibit 805, a copy of the Settlement and

```
Release Agreement from 2008.
 1
 2.
                         (Exhibit No. 805 was marked.)
 3
    BY MS. HENN:
                    Mr. Walker, do you recognize
 4
              0.
 5
    Exhibit 805? The Bates number is -516360.
                    Yes, I do.
 6
             Α.
 7
                     Were you involved -- or let me just
 8
    ask you, what was your involvement in the process
    that led to this 2008 Settlement Agreement with the
10
    DEA?
11
              MR. KENNEDY: Okay. Just to interrupt.
12
    This has already been marked, do you understand? So
    you have -- this exhibit will be marked twice?
13
14
              MS. HENN: I'm not sure it's the same Bates
15
    numbered version, but --
16
             MR. KENNEDY: All right.
17
             MS. HENN: -- that's fine.
18
                     Did you want me to repeat the
             Q.
19
    question?
20
              A.
                     No. I think I remember your
21
    question.
22
              Q.
                     Okay.
23
                     My -- my role in the overall
              Α.
    Settlement Agreement was to provide feedback to
24
25
    counsel, who was interacting with DEA counsel, and to
```

```
primarily focus on operationalizing the commitments
 1
     that we were negotiating, making in the -- in the
 3
     agreement.
 4
                     And in the agreement you mentioned
 5
     there were provisions dealing with suspicious order
     reporting. Could you point us to those provisions
 6
 7
     that you were referring to?
 8
              Α.
                     Well, the first is -- is under "Terms
 9
    and Conditions" on page 3, 1(a), Obligations of
10
    McKesson to -- Obligations of McKesson. And (a) --
11
     do you want me to read this, Counsel, or --
12
              Q.
                     Yes, please.
13
              Α.
                     (Reading) McKesson agrees to
14
                 maintain a compliance program designed
15
                 to detect and prevent diversion of
16
                 controlled substances as required
17
                 under the CSA and applicable DEA
18
                 regulations. This program shall
19
                 include procedures for -- to review
20
                 orders for controlled substances.
21
                 Orders that exceed established
22
                 thresholds and criteria will be
23
                 reviewed by a McKesson employee
24
                 trained to detect suspicious orders
25
                 for the purposes of determining
```

1	whether such orders should not be
2	filled and reported to the DEA or,
3	based on a detailed review, the order
4	is for a legitimate purpose and the
5	controlled substances are not likely
6	to be diverted into other than
7	legitimate medical, scientific, and
8	industrial channels. Orders
9	identified as suspicious will be
10	reported to the DEA as discussed in
11	subsection II (end of reading).
12	Do you want me to continue?
13	This compliance program shall apply
14	Q. Actually, Mr. Walker, I would like to
15	stick on the subject of suspicious orders. So let's
16	continue to that cross-reference.
17	A. Okay. II.1(c). II.1(c):
18	(Reading) McKesson shall inform DEA of
18	(Reading) McKesson shall inform DEA of suspicious orders as required by 21
19	suspicious orders as required by 21
19	suspicious orders as required by 21 C.F.R in a format mutually and
19 20 21	suspicious orders as required by 21 C.F.R in a format mutually and responsibly agreed upon by the
19 20 21 22	suspicious orders as required by 21 C.F.R in a format mutually and responsibly agreed upon by the parties, except that contrary to DEA

1 unless and until advised otherwise in
writing by DEA headquarters. DEA
agrees to notify all of the DEA Field
4 Offices within 30 days of the
5 effective date of this agreement that
6 McKesson will no longer be required to
7 provide suspicious order reports or
8 any other types of reports regarding
9 excessive purchases or controlled
10 substances to the DEA Field Offices,
and that this agreement shall
12 supersede any DEA regulatory
13 requirements to report suspicious
orders to DEA (end of reading).

2	You have described the Lifestyle Drug
3	Monitoring Program. Earlier today Mr. Kennedy asked
4	you a lot of questions about the next program that
5	McKesson developed. That was called what?
6	A. The Controlled Substance Monitoring
7	Program, or CSMP.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 383 of 446 PageID #: 165745 Highly Confidential #: 1800 Ject to Further Confidential #: Review

Case: 1:17md-02804-PAP Doc#: 1964-53 Elled: 07/23/19 384.0f.446 Pagel P.#: 165746 ew

3	MS. HENN: Let's mark another exhibit,
4	No Defense Exhibit 806.
5	(Exhibit No. 806 was marked.)
6	BY MS. HENN:
7	Q. Mr. Walker, you've been handed
8	Defense Exhibit 806, which is Bates
9	No. McKesson-WVA-167.
10	Do you recognize this document?
11	A. Yes, I do.
12	Q. What is this?

3	MS. HENN: Let's take a look at another
4	exhibit, which I will mark ask the court reporter
5	to mark as 807, Defense Exhibit 807.
6	(Exhibit No. 807 was marked.)
7	BY MS. HENN:
8	Q. Mr. Walker, you've been handed
9	Defense Exhibit 807, which is a Bates No. MCK-WVA-88.
10	Do you recognize this document?
11	A. Yes, I do.
12	Q. What is it?

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 387 of 446 PageID #: 165749 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 388 of 446 PageID #: 165750 Highly Confidential #: 1800 Further Further Confidential #: 1800 Further Further Confidential #: 1800 Further F





Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 390 of 446 PageID #: 165752 Highly Confidential #: 1805-60 Further Confidential #: Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 391 of 446 PageID #: 165753 Highly Confidential #: 1805 Further Confidential #: Review

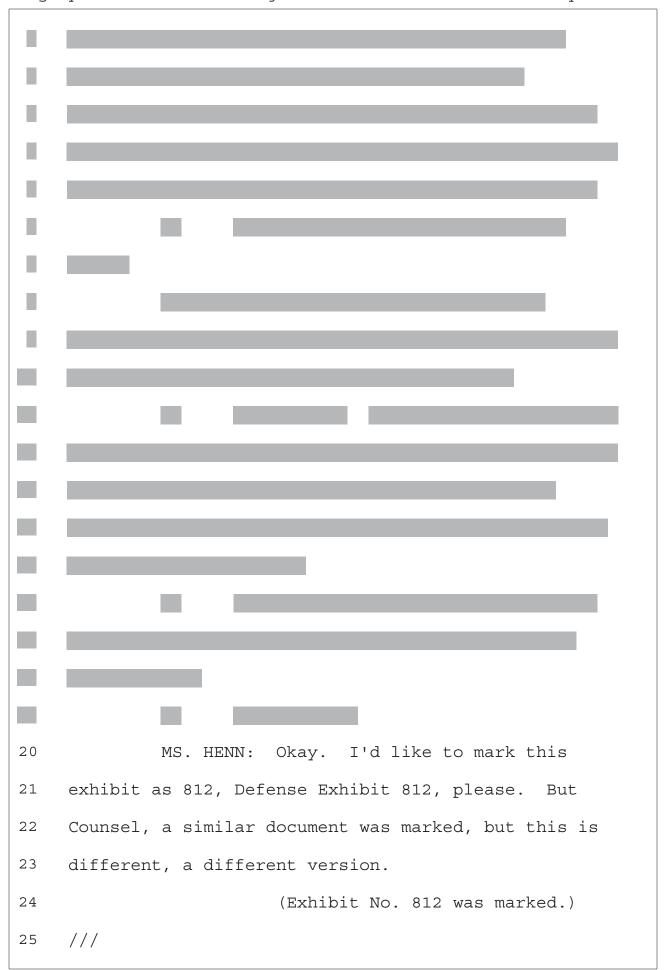
Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 392 of 446 PageID #: 165754 ew



6	MS. HENN: Let's take a look at another
7	exhibit. This is internal No. 6. And I'm going to
8	have the court reporter mark this one as Defense
9	Exhibit 80?
10	THE REPORTER: 809.
11	(Exhibit No. 809 was marked.)
12	BY MS. HENN:
13	Q. Mr. Walker, you've been handed a
14	document marked Defense Exhibit 809, Bates
15	No. MCK-WVA-163.
16	Do you recognize Exhibit 809?
17	A. Yes, I do.
18	Q. What is it?

	<u>-</u>
9	Q. Who is Maureen O'Keefe?
10	A. I don't she's staff coordinator,
11	according to the memo from Kyle. She was on the
12	diversion staff.
13	MS. HENN: Okay. And let's mark another
14	exhibit. This will be I will ask that this be
15	marked Defense Exhibit 810, please.
16	(Exhibit No. 810 was marked.)
17	BY MS. HENN:
18	Q. You've been handed Defense
19	Exhibit 810 Bates No. MCK-WVA-187.
20	Do you recognize this document, Mr. Walker?
21	A. Yes, I do.
22	Q. What is it?

11	MS. HENN: I will show you one more example.
12	We will mark this exhibit as Defense Exhibit 811,
13	please.
14	(Exhibit No. 811 was marked.)
15	BY MS. HENN:
16	Q. Mr. Walker, you've been handed
17	Defense Exhibit 811. And I don't think we have a
18	Bates number, but I will try to find out what that
19	is. Oh, actually, I know what it is, but it's not
20	appearing on the document. The Bates number is
21	-534479.
22	Mr. Walker, do you recognize Exhibit 811?
23	A. Yes, I do.
24	Q. What is it?



1	BY MS. HEN	IN:		
2	Q	2.	Mr. Walker, you've been hand	led
3	Defense Ex	hibit	812. And the Bates number,	again, is
4	not appear	ing or	the document you have, but	it's
5	-542494.	Or may	be it is on yours, not on mi	ne.
6	A	Δ.	I got it.	
7	Q	2.	What is Exhibit 812, if you	recognize
8	it?			

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 398 of 446 PageID#: 165760 Highly Confidential PageID#: 165760 Further Confidential PageID#: 165760

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 399 of 446 PageID #: 165761 Highly Confidential #: 4 Subject to Further Confidential #: 4 Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 400 of 446 PageID #: 165762 Highly Confidential #: 1800 Ject to Further Confidential #: Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 401 of 446 PageID #: 165763 Highly Confidential #: 1800 Ject to Further Confidential #: Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 402 of 446 PageID#: 165764 Highly Confidential#: Property Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 403 of 446 PageID #: 165765 Highly Confidential #: 1800 Ject to Further Confidential #: Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 404 of 446 PageID #: 165766 Highly Confidential #: 1800 Ject to Further Confidential #: Review

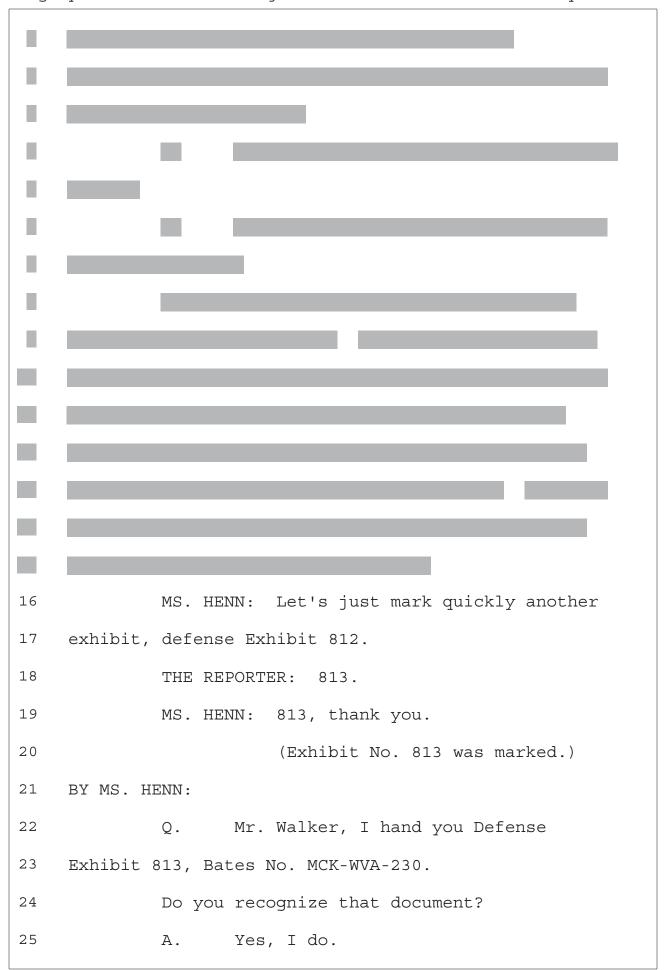
Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 405 of 446 PageID #: 165767 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 406.of 446 PageID #: 165768 Highly Confidential #: 1800 Ject to Further Confidential #: Review

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 407 of 446 PageID #: 165769 Highly Confidential #: 1800 Ject to Further Confidential #: Review





Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 409 of 446 PageID #: 165771 Highly Confidential #: 1800 Ject to Further Confidential #: 1800 Ject to Furt



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 410 of 446 PageID #: 165772 Highly Confidential #: 1800 Ject to Further Confidential #: Review

MS. HENN: Thank you very much, Mr. Walker.
13 I have no further questions.
Do you mind if we take a break? It's been a
long time. Let's go off the record, please.
THE VIDEOGRAPHER: We are going off the
17 record. The time is 7:14 p.m.
18 (Recess taken.)
THE VIDEOGRAPHER: We are back on the
20 record. The time is 7:38 p.m.
21 FURTHER EXAMINATION
22 BY MR. KENNEDY:
22 BY MR. KENNEDY: 23 Q. Mr. Walker, this is Eric Kennedy.

moments ago; all right? 1 I understand that. 2. Α. 3 And I'm going to try to keep it brief Ο. because I know it's late in the day. 4 5 One of the things that you were shown by McKesson's lawyer was Defense Exhibit 804. And that 6 7 was a January 18, 2006, letter written by a gentleman 8 at McKesson to the DEA. It was written by Paul Julian. Do you remember that? Do you remember 10 talking about that? 11 Α. Yes. 24 BY MR. KENNEDY: 25 All right. And you -- actually, I Q.

think you read a footnote on page -1362 of the letter 1 written to the DEA. Do you remember reading that footnote? 3 MS. HENN: Objection to form. 4 5 BY MR. KENNEDY: Sir, do you remember reading that 6 Q. 7 footnote? 8 Counselor, I remember describing the content of the footnote. I don't remember that -- I 9 don't recall that I read it specifically. I just 10 want to be clear. 11

8 MR. KENNEDY: Could you give me 686, Exhibit 686. 9 10 And this is the Settlement Agreement 11 with respect to the Internet pharmacy dosages; right? 12 I'm going to pull it up so we can look at 13 it. 14 MS. HENN: Well, he may want it. 15 BY MR. KENNEDY: 16 If you will go to the second page of 17 that Settlement Agreement. 18 I got it. Α. 19 MS. HENN: Great. 20 BY MR. KENNEDY: 21 And so the DEA, the conduct that they Q. 22 were talking about was three million dosages to Maryland; right? In Maryland, three million doses. 23 2.1 million into Florida. 2.6 million into Texas. 24 25 824,000 into Utah. Right?

1	I mean, that's what this DEA settlement was
2	all about for conduct in '04, '05, and '06; right?
3	Correct?
4	A. This settlement covered the
5	allegations that DEA made. So yes.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 416.of 446 PageID #: 165778 Highly Confidential #: 165778 Further Confidential #: 165778



- 1 BY MR. KENNEDY:
- Q. Between 2000 and 2005, you said you
- were out of Regulatory for that period of time, and
- 4 what was your job?
- 5 A. I was -- I can't remember my specific
- 6 title, but I was the Senior Vice President overseeing
- 7 Six Sigma.
- 8 O. And what did that involve? Did that
- 9 involve regulation of controlled substances?
- 10 A. Not at all.
- 11 Q. Not at all.
- How many meetings with the DEA did you go to
- 13 between 2000 and 2005?
- 14 A. None.
- 15 Q. How many DEA seminars did you go to
- 16 between 2000 and 2005?
- 17 A. None that I remember.
- 18 Q. How many regulatory meetings did you
- 19 go to at McKesson between 2000 and 2005 with respect
- 20 to controlled substances?
- A. I don't recall going to any.

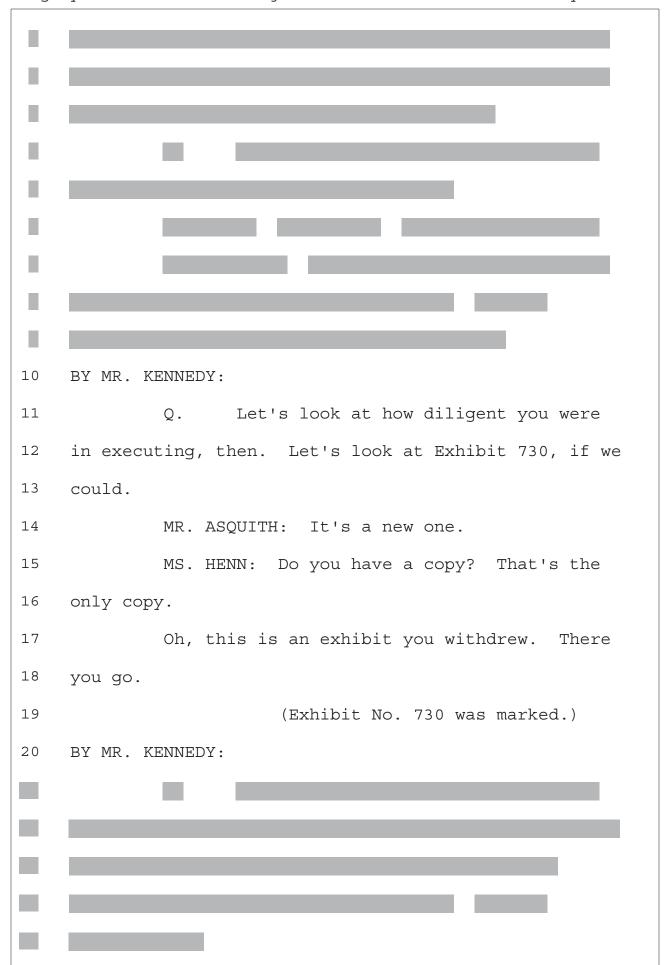
Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 418 of 446 PageID #: 165780 eview

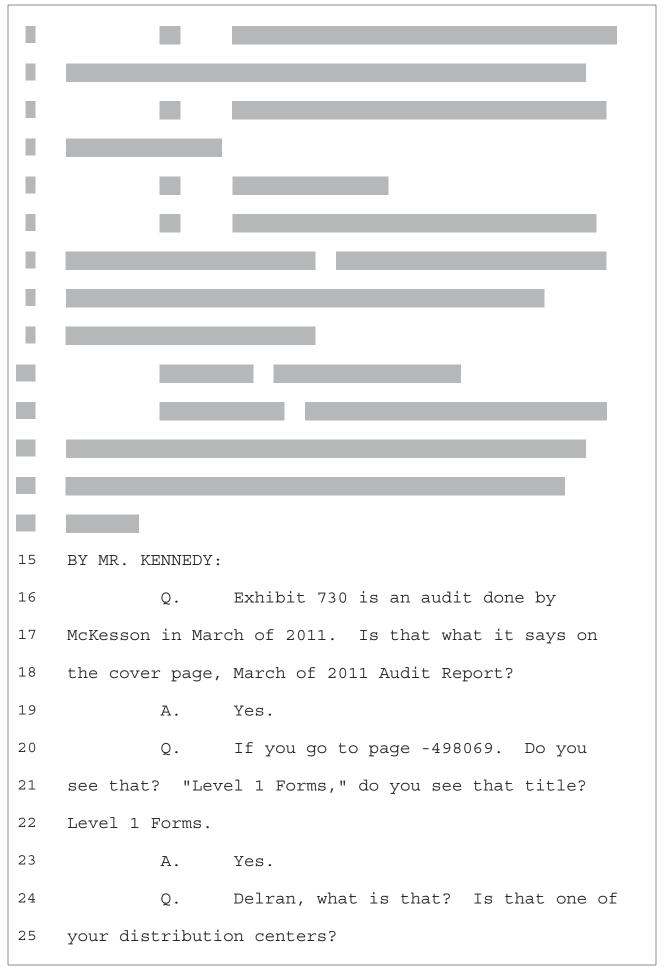


Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 419 of 446 PageID #: 165781 Highly Confidential #: 405781 Review



1	
4	MS. HENN: Counsel, I'm going we're going
5	to need to go off the record so the court reporter
6	
	can get her car out of the garage.
7	THE VIDEOGRAPHER: We are going off the
8	record. The time is 7:50 p.m.
9	(Off the record.)
10	THE VIDEOGRAPHER: We are back on the
11	record. The time is 7:58 p.m.
12	BY MR. KENNEDY:
Ξ.	
Ξ.	
-	





Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 423.of 446. PageID #: 165785 Highly Confidential #: 1800 Ject to Further Further Confidential #: 1800 Ject to Further Furth



Now, New Castle. This is another 1 Q. distribution center; right? 2 3 Yes. Α. Under that one it says: 4 Q. 14 Washington Court House, is that Q. another distribution center? 15 16 Yes, it is. Α. Does that say: 17 Q. 25 Conroe, on the next page. That's Q.

Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 425.of 446 PageID #: 165787 Highly Confidential #: 165787 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 426.of 446 PageID #: 165788 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 427 of 446 PageID #: 165789 Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 428 of 446 PageID #: 165790 Highly Confidential #: 1800 Ject to Further Confidential #: Review



Case: 1:17-md-02804-DAP Doc#: 1964-53 Filed: 07/23/19 429 of 446 PageID #: 165791 eview

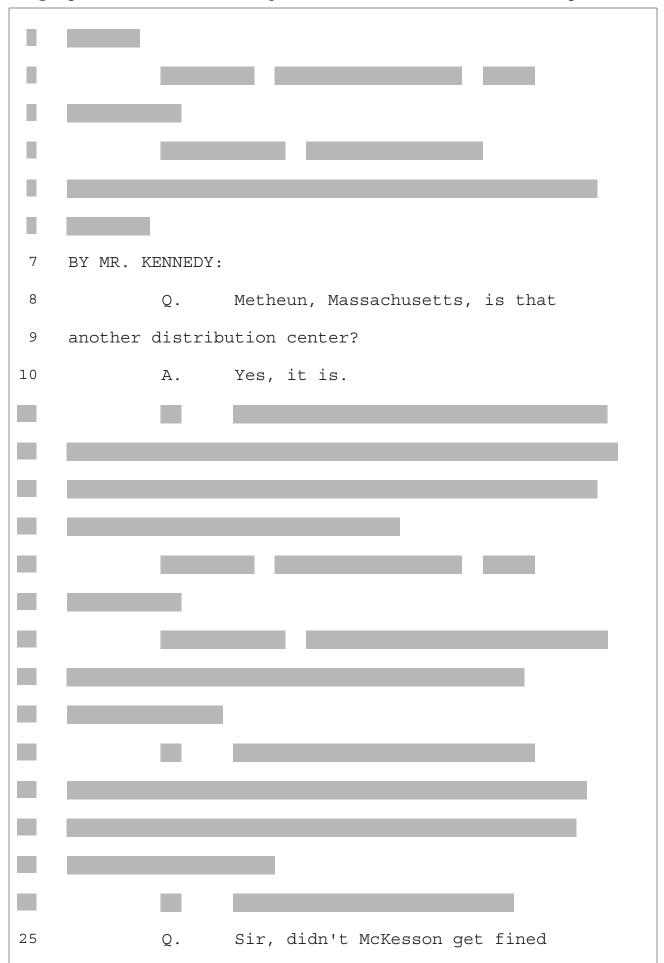




1 centers, sir? Landover was one of our distribution 2. Α. centers. It closed in 2012, I believe. 3 Q. And this comes from the DEA, so you 4 5 should be aware of this. 23 BY MR. KENNEDY: Q. Livonia, is that a distribution 24 center of McKesson? 25

Case: 1:17-md-02804-DAP Doc.#: 1964-53 Filed: 07/23/19 432 of 446. PageID.#: 165794 Highly Confidential Ey Review

1	A.	Yes, it is.
2	Q.	In Michigan?
3	А.	Michigan.
	_	
19	BY MR. KENNEDY:	
20	Q.	Lakeland, Florida, that's a
21	distribution ce	nter; correct?
22	Α.	Yes.



- 1 \$150 million by the DEA because of their failures
- with respect to the 2008 program, leading all the way
- 3 up from 2008 and '09, '10, '11, '12, '13, '14, '15,
- 4 '16, and '17? \$150 million.
- MS. HENN: Objection to form.
- 6 BY MR. KENNEDY:
- 7 Q. Do you recall that, sir?
- 8 MS. HENN: Objection to form. Lacks
- 9 foundation. Mischaracterizes.
- 10 THE WITNESS: All that I'm aware of is
- 11 that -- and because it was public information, is
- 12 that McKesson paid \$150 million. I don't understand
- any of the details of the settlement, of the
- 14 documentation, because all of it occurred after I
- 15 left the company.
- 16 BY MR. KENNEDY:
- Q. When did you leave the company?
- 18 A. In June of 2015.
- 19 Q. And the DEA fine of \$150 million
- involved conduct from '08 to '15, while you were the
- 21 head of Regulatory; do you understand that?
- 22 MS. HENN: Objection to form. Lacks
- 23 foundation.
- THE WITNESS: Again, Counsel, I was not here
- when they -- all of that was finalized and completed.

```
So I don't understand what was in the allegations
 1
    presented by the DEA.
 3
              MR. KENNEDY: Give me P.88, please. This is
     Exhibit 814.
 4
 5
                          (Exhibit No. 814 was marked.)
 6
    BY MR. KENNEDY:
 7
                     If you will look at that very last
 8
    page. Do you see that this is dated 1-5-17, at least
     the signatures, one of the signatures? 1-5-17, it's
10
     on the back cover.
                     Yes.
11
              Α.
12
              Q.
                     If you look at the front cover, the
     front page, is this titled, "Administrative
13
14
     Memorandum Agreement?
15
              Α.
                     Yes, it is.
16
              Ο.
                     And does the first paragraph say:
17
                 (Reading) The Administrative
18
                 Memorandum Agreement is entered into
19
                 by and between the United States
20
                 Department of Justice, Drug
21
                 Enforcement Administration, and
22
                 McKesson Corporation (end of reading)?
23
              Is that what it says?
24
              Α.
                     Yes.
                     And if you'll go to page 88.3 up at
25
              Q.
```

- 1 the -- up at the top. And look at No. 2. Does No. 2
- 2 say, "Acceptance of Responsibility"?
- A. Yes.
- 4 Q. That's acceptance of responsibility
- 5 by McKesson; isn't it, sir?
- 6 MS. HENN: Objection to form.
- 7 BY MR. KENNEDY:
- 8 Q. Is that what that means?
- 9 MS. HENN: Objection to form.
- THE WITNESS: That's what it says, Counsel.
- 11 Quite honestly, I don't know under the legal terms of
- 12 a settlement agreement what that means. I don't have
- 13 the legal expertise.
- 14 BY MR. KENNEDY:
- Q. Well, so what I'm -- can you explain
- 16 to me how you can come in here and tell us that
- 17 McKesson was diligent and aggressive in following and
- implementing its 2008 agreement, and you haven't read
- 19 the settlement covering that same period of time with
- 20 respect to the implementation of that program? How
- 21 can you -- how can you not have read this?
- MS. HENN: Objection to form.
- THE WITNESS: Counsel, I wasn't with the
- 24 company when -- to my knowledge, when this document
- 25 was -- was generated.

- BY MR. KENNEDY: 1 2. How many hours have you spent with Q. McKesson's lawyer prior to today reviewing documents 3 4 and other materials in preparation for today's 5 testimony? How many hours, sir? A number of them. 6 Α. 7 Q. How many, sir? 8 Α. Five or six. And how many different days, sir? 9 Q. 10 Α. How many different days? 11 Q. Yes. 12 Α. Five or six. 13 Q. Five or six days? 14 Α. Yes. 15 And they never showed you this Q. 16 document before you came in here to testify that 17 McKesson was aggressive and diligent in implementing 18 its policies? You were never shown this? 19 In reviewing this document, I think 20 it was shown. This document, I believe, we did not 21 cover in detail.
- Q. Well, under "Acceptance and
- 23 Responsibility," go down about four or five lines
- 24 down in the middle where the sentence starts with,
- 25 "McKesson."

```
1
              Does it state:
 2.
                 (Reading) McKesson acknowledges that,
                 at various times during the period
 3
 4
                 from January 1, 2009, up through and
 5
                 including the effective date of this
                 agreement (the covered period of
 6
 7
                 time), it did not identify or report
 8
                 to DEA certain orders placed by
                 certain pharmacies which should have
 9
10
                 been detected by McKesson as
11
                 suspicious based upon the guidance
12
                 contained in the DEA letters about the
13
                 requirements set forth in 21 C.F.R
14
                 1301.74(b) and 21 U.S.C 842(a)(5)
15
                 (end of reading)?
16
              Do you see where it states that McKesson
    acknowledged those failures; sir? Is that what it
17
18
     states?
19
              MS. HENN: Objection to form.
20
              THE WITNESS: That's what the document
21
    states.
22
    BY MR. KENNEDY:
23
                     Look down to the next paragraph, if
    you would. About five lines down it starts with
24
25
     "McKesson." Do you see that?
```

1	1	Α.	Yes.
2	(Q.	Does it state, again:
3			(Reading) McKesson acknowledges that,
4			at various times during the covered
5			time period, it did not identify or
6			report to DEA certain orders placed by
7			certain pharmacies which should have
8			been detected by McKesson as
9			suspicious in a manner fully
10			consistent with requirements set forth
11			in the 2008 Memorandum of
12			Understanding (end of reading)?
13		Is	that what it states?
14	1	Α.	That's yes, that's what it states.
15	(Q.	Covered conduct, No. 3, A. Does it
16	state:		
17			(Reading) McKesson failed to maintain
18			effective controls against diversion
19			of particular controlled substances
20			into other than legitimate medical,
21			scientific, and industrial channels by
22			sales to certain of its customers in
23			violation of the Controlled Substance
24			Act and the Controlled Substance Act's
25			implementing regulations (end of

```
1
                 reading)?
 2.
              Does it say that?
 3
              Α.
                     Yes.
                     And then does it outline the
 4
 5
    different distribution centers where these failures
    occurred, sir?
 6
              MS. HENN: Objection to form.
 7
 8
    Mischaracterizing the document.
    BY MR. KENNEDY:
                     Does it outline the distribution
10
     centers where this conduct occurred?
11
12
              MS. HENN: Same objection.
13
    BY MR. KENNEDY:
14
              Ο.
                 Does it, sir?
                     Just a minute.
15
16
              What I -- what I read is that the
    distribution centers listed there -- it said at
17
18
    McKesson -- at the distribution centers, including
    the following, with the list of distribution centers
19
20
    that are down below.
21
                     Right. Distribution center --
              Q.
22
    McKesson Distribution Center in Colorado, Illinois,
23
    New Jersey, Wisconsin, Florida, Maryland, Nebraska,
    Michigan, Massachusetts, and California; correct?
24
25
              Α.
                     That's what's written in the
```

1	document.
7	Q. Let's look to the next page. If we
8	look at C, this was specific to what you've been
9	telling us. Does it state on C:
10	(Reading) McKesson failed to follow
11	the procedures and policies set forth
12	in the McKesson CSMP to detect and
13	disclose suspicious orders of
14	controlled substances (end of
15	reading)?
16	Is that what it states, sir?
17	A. Yes, that's what the document states.
18	Q. Does it next state:
19	(Reading) Among other things, McKesson
20	failed to conduct adequate due
21	diligence of its customers, failed to
22	keep complete and accurate records of
23	the CSMP files maintained for many of
24	its customers, and bypassed suspicious
25	order reporting procedures set forth

```
1
                 in McKesson's CSMP (end of reading)?
 2.
              Did I read that right?
 3
              Α.
                     You read that correctly.
                     And, sir, could we agree -- and I'm
 4
 5
     only going to ask you one more time. Could we agree
     that writing a policy, putting it on paper, meeting
 6
 7
    with the FDA [sic] and saying these are our policies,
 8
     that doesn't do anybody any good unless you follow
    your own policies?
10
              MS. HENN: Objection to form.
11
    BY MR. KENNEDY:
12
              Q.
                     Could we agree to that, sir?
13
                     I don't agree with that statement. I
14
     strongly believe that we were executing and doing
15
     everything in our capability that we could to manage
16
     our Controlled Substance Monitoring Program.
```

- 17 And the FDA [sic] disagreed when they Ο.
- 18 fined you \$150 million; correct?
- 19 MS. HENN: Objection to form.
- 20 THE WITNESS: Again, I'm not going to
- speculate, because I wasn't involved in the process 21
- of how that was negotiated and reached. 22
- 23 MR. KENNEDY: I have nothing further.
- 24 you, sir.
- 25 MS. HENN: We have no further questions

```
1
    either.
              We have just two things to note. We would
 2.
 3
     request that the transcript be designated highly
     confidential pending review and further designations.
 4
 5
              And we request that the witness have the
     opportunity to read and sign.
 6
 7
              Thank you very much.
 8
              THE VIDEOGRAPHER: This concludes the video
     deposition of Donald Walker, consisting of eight
 9
10
    media.
11
              The time is 8:23 p.m. We are off the
12
     record.
13
              (The deposition was concluded at 8:23 p.m.)
14
                          --000--
15
16
17
18
19
20
21
22
23
24
25
```

1	Please be advised I have read the foregoing
2	deposition, and I state there are:
3	(Check one)NO CORRECTIONS
4	CORRECTIONS PER ATTACHED
5	
6	
7	
8	DONALD WALKER
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

Case: 1:17-md-02804-DAP Doc.#: 1964-53 Filed: 07/23/19 445 of 446. PageID.#: 165807 Review

1	DEPONENT'S CHANGES OR CORRECTIONS						
2	Note: If you are adding to your testimony, print the						
3	exact words you want to add. If you are deleting from						
4	your testimony, print the exact words you want to						
5	delete. Specify with "Add" or "Delete" and sign this						
6	form.						
7	DEPOSITION OF: DONALD WALKER						
8	CASE: IN RE NATIONAL PRESCRIPTION OPIATE LITIGATION						
9	DATE OF DEPOSITION: JANUARY 10, 2019						
10	PAGE LINE CHANGE/ADD/DELETE/REASON						
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24	DEPONENT'S SIGNATURE						
25	DATE						

```
1
                    CERTIFICATE OF REPORTER
 2
            I, SANDRA BUNCH VANDER POL, a Certified
 3
     Shorthand Reporter, hereby certify that the witness in
 4
     the foregoing deposition was by me duly sworn to tell
 5
     the truth, the whole truth and nothing but the truth
     in the within-entitled cause;
 6
 7
            That said deposition was taken down in shorthand
 8
    by me, a disinterested person, at the time and place
 9
     therein stated, and that the testimony of the said
10
    witness was thereafter reduced to typewriting, by
11
     computer, under my direction and supervision;
12
            That before completion of the deposition, review
     of the transcript was requested. If requested, any
13
     changes made by the deponent (and provided to the
14
15
     reporter) during the period allowed are appended
16
    hereto.
17
            I further certify that I am not of counsel or
18
    attorney for either or any of the parties to the said
     deposition, nor in any way interested in the event of
19
20
     this cause, and that I am not related to any of the
    parties thereto.
21
22
    DATED:
            JANUARY 14, 2019
23
                         SANDRA BUNCH VANDER POL, CSR 3032
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